

of Pawtucket, and 73 other officers and members of the Woman's Christian Temperance Union, and 207 other citizens of Massachusetts and other States, for same purpose—to the Select Committee on the Alcoholic Liquor Traffic.

Also, resolutions of the Dudley Alliance, Noble County, Ohio, signed by R. B. Warren, president, D. G. Kirkbride, secretary, in favor of the passage of House bill 5353, defining options—to the Committee on Agriculture.

Also, petition of the same Alliance, signed by O. J. Wood and 27 others, for same measure—to the Committee on Agriculture.

By Mr. TAYLOR, of Tennessee: Petition of George T. Larkin, late deputy United States marshal of Tennessee, praying for an act of Congress to reimburse him for expenses in his suit in the Federal court at Knoxville, Tenn.—to the Committee on the Judiciary.

By Mr. TOWNSEND, of Colorado: Resolutions of the Board of Trade of Stanwood Springs, Colo., in favor of the free and unlimited coinage of silver—to the Committee on Coinage, Weights, and Measures.

By Mr. WALLACE, of Massachusetts: Resolutions adopted by the Wachuset Council, No. 21, Order of United American Mechanics, praying for the passage of such laws as will restrict pauper immigration—to the Select Committee on Immigration and Naturalization.

By Mr. WHITING: Petition of W. L. Churchill and 10 others, citizens of Alpena, Mich., asking for increase of pay to keepers and surfmen in the Life-Saving Service—to the Committee on Commerce.

By Mr. WILSON, of Washington: Resolutions of Farmers' Alliance No. 91, of Mondovi, Lincoln County, Washington, W. E. Allison, president, J. H. Judy, secretary, relative to options—to the Committee on Agriculture.

Also, petition of 24 citizens of same county and State, for same measure—to the Committee on Agriculture.

Also, resolutions of Ridge Alliance, No. 139, Sherman, Lincoln County, Washington, F. A. Hopkins, president, James Galloway, secretary, for same measure—to the Committee on Agriculture.

Also, petition of 20 citizens of Mondovi, Lincoln County, Washington, relative to same measure—to the Committee on Agriculture.

CHANGE OF REFERENCE.

The following petitions having been referred to the Committee on Commerce, and that committee having been discharged from their further consideration, the same are hereby referred to the Committee on Claims:

By Mr. CANDLER, of Massachusetts: Memorial of N. H. Myerhoff and 102 others, citizens of New York, for the relief of Charles Stoughton, the projector of the Harlem River Canal improvement, for services rendered therefor at the request of many commercial, civic, and other business men of the United States.

By Mr. DUNNELL: Memorial of E. H. Mead, president of the Pennsylvania Coal Company, and 101 others, citizens of New York, for the relief of Charles Stoughton, the projector of the Harlem River Canal improvement, for services rendered therefor at the request of many of the commercial, civic, and other business men of the United States.

By Mr. FARQUHAR: Memorial of James Stephens & Son, coal dealers, and 55 others, citizens of New York, for the relief of Charles Stoughton, the projector of the Harlem River Canal improvement, New York, for services rendered therefor at the request of many commercial, civic, and other business men of the United States.

By Mr. KETCHAM: Memorial of Church, Gates & Co. and 105 others, citizens of New York, praying for compensation for the projector of the Harlem River Canal project as herein stated.

By Mr. PAYSON: Memorial of Behring and Sons and 101 others, citizens of New York, for the relief of Charles Stoughton, the projector of the Harlem River Canal improvements, for services rendered therefor at the request of many commercial, civic, and other business men of the United States.

SENATE.

WEDNESDAY, January 14, 1891.

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. J. G. BUTLER, D. D.

The Journal of yesterday's proceedings was read and approved.

COIN AND CURRENCY.

The VICE PRESIDENT. It is the duty of the Chair to lay before the Senate the unfinished business coming over from yesterday.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 4675) to provide against the contraction of the currency, and for other purposes, the pending question being on the amendment proposed by Mr. STEWART to the amendment reported by the Committee on Finance.

The VICE PRESIDENT. The Senator from Nevada [Mr. JONES] is entitled to the floor. He is not present. The name of the Senator from Kansas [Mr. INGALLS] is next on the list in the hands of the Chair.

Mr. INGALLS. Mr. President, two portentous perils threaten the safety if they do not endanger the existence of the Republic.

The first of these is ignorant, debased, degraded, spurious, and sophisticated suffrage; suffrage contaminated by the feculent sewage of decaying nations; suffrage intimidated and suppressed in the South; suffrage impure and corrupt, apathetic and indifferent, in the great cities of the North, so that it is doubtful whether there has been for half a century a Presidential election in this country that expressed the deliberate and intelligent judgment of the whole body of the American people.

In a newspaper interview a few months ago, in which I commented upon these conditions and alluded to the efforts of the bacilli doctors of politics, the bacteriologists of our system, who endeavor to cure the ills under which we suffer by their hypodermic injections of the lymph of independent nonpartisanship and the Brown-Séquard elixir of civil-service reform, I said that "the purification of politics" by such methods as this was an "iridescent dream." Remembering the cipher dispatches of 1877 and the attempted purchase of the electoral votes of many Southern States in that campaign, the forgery of the Morey letter in 1881, by which Garfield lost the votes of three States in the North, and the characterization and portraiture of Blaine and Cleveland and Harrison by their political adversaries, I added that "the Golden Rule and the Decalogue had no place in American political campaigns."

It seems superfluous to explain, Mr. President, that in those utterances I was not inculcating a doctrine, but describing a condition. My statement was a statement of facts as I understood them, and not the announcement of an article of faith. But many reverend and eminent divines, many disinterested editors, many ingenious orators, perverted those utterances into the personal advocacy of impurity in politics.

I do not complain, Mr. President. It was, as the world goes, legitimate political warfare; but it was an illustration of the truth that there ought to be purification in our politics, and that the Golden Rule and the Decalogue ought to have a place in political campaigns. "Do unto others as ye would that others should do unto you" is the supreme injunction, obligatory upon all. "If thine enemy smite thee upon one cheek turn to him the other" is a sublime and lofty precept. But I take this occasion to observe that until it is more generally regarded than it has been or appears likely to be in the immediate future, if my political enemy smites me upon one cheek, instead of turning to him the other I shall smite him under the butt end of his left ear if I can. [Laughter.] If this be political immorality, I am to be included among the unregenerated.

The election bill that was under consideration a few days ago was intended to deal with one part of the great evil to which I have alluded, but it was an imperfect, a partial, and an incomplete remedy. Violence is bad; but fraud is no better; and it is more dangerous because it is more insidious. Burke said in one of those immortal orations that emptied the House of Commons, but which will be read with admiration so long as the English tongue shall endure, that when the laws of Great Britain were not strong enough to protect the humblest Hindoo upon the shores of the Ganges the nobleman was not safe in his castle upon the banks of the Thames. Sir, that lofty sentence is pregnant with admonition for us. There can be no repose, there can be no stable and permanent peace in this country and under this Government until it is just as safe for the black Republican to vote in Mississippi as it is for the white Democrat to vote in Kansas.

The other evil, Mr. President, the second to which I adverted as threatening the safety if it does not endanger the existence of the Republic, is the tyranny of combined, concentrated, centralized, and incorporated capital. And the people are considering this great problem now. The conscience of the nation is shocked at the injustice of modern society. The moral sentiment of mankind has been aroused at the unequal distribution of wealth, at the unequal diffusion of the burdens, the benefits, and the privileges of society.

At the beginning of our second century the American people have become profoundly conscious that the ballot is not the panacea for all the evils that afflict humanity; that it has not abolished poverty nor prevented injustice. They have discovered that political equality does not result in social fraternity; that under a democracy the concentration of greater political power in fewer hands, the accumulation and aggregation of greater amounts of wealth in individuals, is more possible than under a monarchy, and that there is a tyranny which is more fatal than the tyranny of kings.

George Washington, the first President of the Republic, at the close of his life in 1799 had the largest private fortune in the United States of America. Much of this came by inheritance, but the Father of his Country, in addition to his other virtues, shining and illustrious, was a very prudent, sagacious, thrifty, and forehanded man. He knew a good thing when he saw it a great way off. He had a keen eye for the main chance. As a surveyor in his youth he obtained knowledge that enabled him to make exceedingly valuable locations upon the public domain. The establishment of the national Capital in the immediate vicinity of his patrimonial possessions did not diminish their value. He was a just debtor, but he was an exact if not an exacting creditor. And so it came to pass that when he died he was, to use the expressive phraseology of the day, the richest man in the country.

At this time, ninety years afterwards, it is not without interest to know that the entire aggregate and sum of his earthly possessions, his estate, real, personal, and mixed, Mount Vernon and his lands along the Kanawha and the Ohio, slaves, securities, all of his belongings, reached the sum total of between \$800,000 and \$900,000. This was less than a century ago, and it is within bounds to say that at this time there are many scores of men, of estates, and of corporations in this country whose annual income exceeded, and there has been one man whose monthly revenue since that period exceeded, the entire accumulations of the wealthiest citizen of the United States at the end of the last century.

At that period the social condition of the United States was one of practical equality. The statistics of the census of 1800 are incomplete and partial, but the population of the Union was about 5,300,000, and the estimated wealth of the country was between \$3,000,000,000 and \$4,000,000,000. There was not a millionaire and there was not a tramp nor a pauper, so far as we know, in the country, except those who had been made so by infirmity or disease or inevitable calamity. A multitude of small farmers contentedly tilled the soil. Upon the coast a race of fishermen and sailors, owning the craft that they sailed, wrested their subsistence from the stormy sea. Labor was the rule and luxury the exception. The great mass of the people lived upon the products of the farms that they cultivated. They spun and wove and manufactured their clothing from flax and from wool. Commerce and handicrafts afforded honorable competence. The prayer of Agur was apparently realized. There was neither poverty nor riches. Wealth was uniformly diffused, and none were condemned to hopeless penury and dependence. Less than 4 per cent. of the entire population lived in towns, and there were but four cities whose population exceeded 10,000 persons. Westward to the Pacific lay the fertile solitudes of an unexplored continent, its resources undeveloped and unsuspected. The dreams of Utopia seemed about to be fulfilled, the wide, the universal diffusion of civil, political, and personal rights among the great body of the people, accompanied by efficient and vigorous guaranties for the safety of life, the protection of property, and the preservation of liberty.

Since that time, Mr. President, the growth in wealth and numbers in this country has had no precedent in the building of nations. The genius of the people, stimulated to prodigious activity by freedom, by individualism, by universal education, has subjugated the desert and abolished the frontier. The laboring capacity of every inhabitant of this planet has been duplicated by machinery. In Massachusetts alone we are told that its engines are equivalent to the labor of one hundred million men. We now perform one-third of the world's mining, one-quarter of its manufacturing, one-fifth of its farming, and we possess one-sixth part of its entire accumulated wealth.

The Anglo-Saxon, Mr. President, is not by nature or instinct an anarchist, a socialist, a nihilist, or a communist. He does not desire the repudiation of debts, public or private, and he does not favor the forcible redistribution of property. He came to this continent, as he has gone everywhere else on the face of the earth, with a purpose. The 40,000 English colonists who came to this country between 1620 and 1650 formed the most significant, the most formidable migration that has ever occurred upon this globe since time began. They brought with them social and political ideas, novel in their application, of inconceivable energy and power. The home, the family, the State, individualism, the right of personal effort, freedom of conscience, an indomitable love of liberty and justice, a genius for self-government, an unrivaled capacity for conquest, but preferring charters to the sword, and they have been inexorable and relentless in the accomplishment of their designs. They were fatigued with caste and privilege and prerogative. They were tired of monarchs, and so, upon the bleak and inhospitable shores of New England, they decreed the sovereignty of the people, and there they build "a church without a bishop and a state without a king."

The result of that experiment, Mr. President, has been ostensibly successful. Under the operation of those great forces, after two hundred and seventy years, this country exhibits a peaceful triumph over many subdued nationalities, through a government automatic in its functions and sustained by no power but the invisible majesty of law. With swift and constant communication by lines of steam transportation by land and lake and sea, with telegraphs extending their nervous reticulations from State to State, the remotest members of this gigantic Republic are animated by a vitality as vigorous as that which throbs at its mighty heart, and it is through the quickened intelligence that has been communicated by those ideas that these conditions, which have been fatal to other nations, have become the pillars of our strength and the bulwarks of our safety.

Mr. President, if time and space signified now what they did when independence was declared, the United States could not exist under one government. It would not be possible to secure unity of purpose or identity of interest between communities separated by such barriers and obstacles as Maine and California. But time and distance are relative terms, and, under the operations of these forces, this continent has dwindled to a span. It is not as far from Boston to San Francisco to-day as it was from Boston to Baltimore in 1791; and as the world has shrunk life has expanded. For all the purposes for which exist-

ence is valuable in this world—for comfort, for convenience, for opportunity, for intelligence, for power of locomotion, and superiority to the accidents and the fatalities of nature—the fewest in years among us, Mr. President, has lived longer and has lived more worthily than Methuselah in all his stagnant centuries.

When the Atlantic cable was completed, it was not merely that a wire, finer by comparison than the gossamer of morning, had sunk to its path along the peaks and the plateaus of the deep, but the earth instantaneously grew smaller by the breadth of the Atlantic. A new volume in the history of the world was opened. The to-morrow of Europe flashed upon the yesterday of America. Time, up to the period when this experiment commenced on this continent, yielded its treasures grudgingly and with reluctance. The centuries crept from improvement to improvement with tardy, sluggish steps, as if nature were unwilling to acknowledge the mastery of man. The great inventions of glass, of gunpowder, of printing, and the mariner's compass consumed a thousand years, but, as the great experiment upon this continent has proceeded, the ancient law of progress has been disregarded, and the mind is bewildered by the stupendous results of its marvelous achievements.

The application of steam to locomotion on land and sea, the cotton gin, electric illumination and telegraphy, the cylinder printing press, the sewing machine, the photographic art, tubular and suspension bridges, the telephone, the spectroscopic, and the myriad forms of new applications of science to health and domestic comfort, to the arts of peace and war, have alone rendered democracy possible. The steam engine emancipated millions from the slavery of daily toil and left them at liberty to pursue a higher range of effort; labor has become more remunerative, and the flood of wealth has raised the poor to comfort and the middle classes to affluence. With prosperity have attended leisure, books, travel; the masses have been provided with schools, and the range of mental inquiry has become wider and more daring. The sewing machine does the work of a hundred hands and gives rest and hope to weary lives. Farming, as my distinguished friend from New York [Mr. EVARTS] once said, has become a "sedentary occupation." The reaper no longer swings his sickle in midsummer fields through the yellowing grain, followed by those who gather the wheat and the tares, but he rides in a vehicle, protected from the meridian sun, accomplishing in comfort in a single hour the former labors of a day.

By these and the other emancipating devices of society the laborer and the artisan acquire the means of study and recreation. They provide their children with better opportunities than they possessed. Emerging from the obscure degradation to which they have been consigned by monarchies they have assumed the leadership in politics and society. The governed have become the governors; the subjects have become the kings. They have formed States; they have invented political systems; they have made laws, they have established literatures; and it is not true, Mr. President, in one sense, that during this extraordinary period the rich have grown richer and the poor have grown poorer. There has never been a time since the angel stood with the flamings sword before the gates of Eden when the dollar of invested capital paid as low a return in interest as it does to-day; nor has there been an hour when the dollar that is earned by the laboring man would buy so much of everything that is essential for the welfare of himself and his family as it will to-day.

Mr. President, monopolies and corporations, however strong they may be, can not permanently enslave such a people. They have given too many convincing proofs of their capacity for self-government. They have made too many incredible sacrifices for this great system; which has been builded and established here, to allow it to be overthrown. They will submit to no dictation.

We have become, Mr. President, the wealthiest nation upon the face of this earth, and the greater part of these enormous accumulations has been piled up during the past fifty years. From 1860 to 1880, notwithstanding the losses incurred by the most destructive war of modern times, the emancipation of four billions of slave property, the expenses of feeding the best fed, of clothing the best clothed, and of sheltering the best sheltered people in the world, notwithstanding all the losses by fire and flood during that period of twenty years, the wealth of the country increased at the rate of \$250,000 for every hour. Every time that the clock ticked above the portal of this Chamber the aggregated, accumulated, permanent wealth of this country increased more than \$70.

Sir, it rivals, it exceeds the fictions of the Arabian Nights. There is nothing in the story of the lamp of Aladdin that surpasses it. It is without parallel or precedent; and the national ledger now shows a balance to our credit, after all that has been wasted and squandered and expended and lost and thrown away, of between sixty and seventy thousand million dollars. I believe myself that, upon a fair cash market valuation, the aggregate wealth of this country to-day is not less than one hundred thousand millions of dollars. This is enough, Mr. President, to make every man and every woman and every child beneath the flag comfortable, to keep the wolf away from the door. It is enough to give to every family a competence, and yet we are told that there are thousands of people who never have enough to eat in any one day in the year. We are told by the statisticians of the Department of La-

bor of the United States that, notwithstanding this stupendous aggregation, there are a million American citizens, able-bodied and willing to work, who tramp the streets of our cities and the country highways and byways in search of labor with which to buy their daily bread, in vain.

Mr. President, is it any wonder that this condition of things can exist without exciting profound apprehension? I heard, or saw rather, for I did not hear it—I saw in the morning papers that, in his speech yesterday, the Senator from Ohio [Mr. SHERMAN] devoted a considerable part of his remarks to the defense of millionaires; that he declared that they were the froth upon the beer of our political system.

Mr. SHERMAN. I said speculators.

Mr. INGALLS. Speculators. They are very nearly the same, for the millionaires of this country, Mr. President, are not the producers and the laborers. They are arrayed like Solomon in all his glory, but "they toil not, neither do they spin"—yes, they do spin. This class, Mr. President, I am glad to say, is not confined to this country alone. These gigantic accumulations have not been the result of industry and economy. There would be no protest against them if they were. There is an anecdote floating around the papers, speaking about beer, that some gentleman said to the keeper of a saloon that he would give him a recipe for selling more beer, and, when he inquired what it was, he said, "Sell less froth." [Laughter.] If the millionaires and speculators of this country are the froth upon the beer of our system, the time has come when we should sell more beer by selling less froth. [Laughter.]

The people are beginning to inquire whether, under "a government of the people, and by the people, and for the people," under a system in which the bounty of nature is supplemented by the labor of all, any citizen can show a moral, yes, or a legal title to \$200,000,000. Some have the temerity to ask whether or not any man can show a clear title to \$100,000,000. There have been men rash enough to doubt whether, under a system so constituted and established, by speculation or otherwise, any citizen can show a fair title to \$10,000,000 when the distribution of wealth per capita would be less than \$1,000. If I were put upon my *voir dire* I should hesitate before admitting that, in the sense of giving just compensation and equivalent, any man in this country or any other country ever absolutely earned a million dollars. I do not believe he ever did.

What is the condition to-day, Mr. President, by the statistics? I said at the beginning of this century there was a condition of practical social equality; wealth was uniformly diffused among the great mass of the people. I repeat that the people are not anarchists; they are not socialists; they are not communists, but they have suddenly waked to the conception of the fact that the bulk of the property of the country is passing into the hands of what the Senator from Ohio by a euphemism calls the "speculators" of the world, not of America alone. They infest the financial and social system of every country upon the face of the earth. They are the men of no politics, neither Democrat nor Republican. They are the men of all nationalities and of no nationality, with no politics but plunder and with no principle but the spoliation of the human race.

A table has been compiled for the purpose of showing how wealth in this country is distributed, and it is full of the most startling admonition. It has appeared in the magazines, it has been commented upon in this Chamber, it has been the theme of editorial discussion. It appears from this compilation that there are in the United States two hundred persons who have an aggregate of more than \$20,000,000 each, and there has been one man, the Midas of the century, at whose touch everything seemed to turn to gold, who had acquired within less than the lifetime of a single individual, out of the aggregate of the national wealth that was earned by the labor of all applied to the common bounty of nature, an aggregate that exceeded the assessed valuation of four of the smallest States in this Union.

Mr. HOAR. And more than the whole country had when the Constitution was formed.

Mr. INGALLS. Yes, and, as the Senator from Massachusetts well observes—and I thank him for the suggestion—much more, many times more than the entire wealth of the country when it was established and founded. Four hundred persons possess \$10,000,000 each, 1,000 persons \$5,000,000 each, 2,000 persons \$2,500,000 each, 6,000 persons \$1,000,000 each, and 15,000 persons \$500,000 each, making a total of 31,100 people who possess \$36,250,000,000.

Mr. President, it is the most appalling statement that ever fell upon mortal ears. It is, so far as the results of democracy as a social and political experiment are concerned, the most terrible commentary that ever was recorded in the book of time; and Nero fiddles while Rome burns. It is thrown off with a laugh and a sneer as the "froth upon the beer" of our political and social system. As I said, the assessed valuation recorded in the great national ledger standing to our credit is about \$65,000,000,000.

Our population is sixty-two and one-half million, and by some means, by some device, by some machination, by some incantation, honest or otherwise, by some process that can not be defined, less than a two-thousandth part of our population have obtained possession, and have kept out of the penitentiary in spite of the means they have

adopted to acquire it, of more than one-half of the entire accumulated wealth of the country. That is not the worst, Mr. President. It has been largely acquired by men who have contributed little to the material welfare of the country and by processes that I do not care in appropriate terms to describe, by the wrecking of the fortunes of innocent men, women, and children, by jugglery, by bookkeeping, by financing, by what the Senator from Ohio calls "speculation," and this process is going on with frightful and constantly accelerating rapidity.

The entire industry of this country is passing under the control of organized and confederated capital. More than fifty of the necessities of life to-day, without which the cabin of the farmer and the miner can not be lighted or his children fed or clothed, have passed absolutely under the control of syndicates and trusts and corporations composed of speculators, and, by means of these combinations and confederations, competition is destroyed; small dealings are rendered impossible; competence can no longer be acquired, for it is superfluous and unnecessary to say that if, under a system where the accumulations distributed per capita would be less than a thousand dollars, 31,000 obtained possession of more than half of the accumulated wealth of the country, it is impossible that others should have a competence or an independence.

So it happens, Mr. President, that our society is becoming rapidly stratified, almost hopelessly stratified, into a condition of superfluously rich and helplessly poor. We are accustomed to speak of this as the land of the free and the home of the brave. It will soon be the home of the rich and the land of the slave.

We point to Great Britain and we denounce aristocracy and privileged and titled classes and landed estates. We thought when we had abolished primogeniture and entail that we had forever forbidden and prevented these enormous and dangerous accumulations; but, sir, we had forgotten that capital could combine; we were unaware of the yet undeveloped capacity of corporations, and so, as I say, it happens upon the threshold and in the vestibule of our second century, with all this magnificent record behind us, with this tremendous achievement in the way of wealth, population, invention, opportunity for happiness, we are in a condition compared with which the accumulated fortunes of Great Britain are puerile and insignificant.

It is no wonder, Mr. President, that the laboring, industrial, and agricultural classes of this country, who have been made intelligent under the impulse of universal education, have at last awakened to this tremendous condition and are inquiring whether or not this experiment has been successful. And, sir, the speculators must beware. They have forgotten that the conditions, political and social, here are not a reproduction of the conditions under which these circumstances exist in other lands. Here is no dynasty; here is no privilege or caste or prerogative; here are no standing armies; here are no hereditary bondsmen, but every atom in our political system is quick, instinct, and endowed with life and power. His ballot at the box is the equivalent of the ballot of the richest speculator. Thomas Jefferson, the great apostle of modern Democracy, taught the lesson to his followers, and they have profited well by his instruction, that under a popular, democratic, representative government wealth, culture, intelligence, were ultimately no match for numbers.

The numbers in this country, Mr. President, have learned at last the power of combination, and the speculators should not forget that, while the people of this country are generous and just, they are jealous also, and that when discontent changes to resentment and resentment passes into exasperation, one volume of a nation's history is closed and another will be opened.

The speculators, Mr. President! The cotton product of this country, I believe, is about 6,000,000 bales.

Mr. BUTLER. Seven million bales.

Mr. INGALLS. Seven million bales, I am told. The transactions of the New York Cotton Exchange are 40,000,000 bales, representing transactions speculative, profitable, remunerative, by which some of these great accumulations have been piled up, an inconceivable burden upon the energies and industries of the country.

The production of coal oil, I believe, in this country has averaged something like 20,000,000 barrels a year. The transactions of the New York Petroleum Exchange year by year average 2,000,000,000 barrels, fictitious, simulated, the instruments of the gambler and the speculator, by means of which, through an impost upon the toil and labor and industry of every laborer engaged in the production of petroleum, additional difficulties are imposed.

It is reported that the coal alone that is mined in Pennsylvania, indispensable to the comfort of millions of men, amounts in its annual product to about \$40,000,000, of which one-third is profit over and above the cost of production and a fair return for the capital invested.

That is "speculation," Mr. President, and every dollar over and above the cost of production, with a fair return upon the capital invested, every dollar of that fifteen or sixteen millions is filched, robbed, violently plundered out of the earnings of the laborers and operatives and farmers who are compelled to buy it; and yet it goes by the euphemistic name of "speculation" and is declared to be legitimate; it is eulogized and defended as one of those practices that are entitled to respect and approbation.

Nor is this all, Mr. President. The hostility between the employers and the employed in this country is becoming vindictive and permanently malevolent. Labor and capital are in two hostile camps to-day. Lockouts and strikes and labor difficulties have become practically the normal condition of our system, and it is estimated that during the year that has just closed, in consequence of these disorders, in consequence of this hostility and this warfare, the actual loss, in labor, in wages, in the destruction of perishable commodities by the interruption of railway traffic, has not been less than \$300,000,000.

Mr. President, this is a serious problem. It may well engage the attention of the representatives of the States and of the American people. I have no sympathy with that school of political economists which teaches that there is an irreconcilable conflict between labor and capital and which demands indiscriminate, hostile, and repressive legislation against men because they are rich and corporations because they are strong. Labor and capital should not be antagonists, but allies rather. They should not be opponents and enemies, but colleagues and auxiliaries whose co-operating rivalry is essential to national prosperity. But I can not forbear to affirm that a political system under which such despotic power can be wrested from the people and vested in a few is a democracy only in name.

A financial system under which more than one-half of the enormous wealth of the country, derived from the bounty of nature and the labor of all, is owned by a little more than thirty thousand people, while one million American citizens able and willing to toil are homeless tramps, starving for bread, requires readjustment.

A social system which offers to tender, virtuous, and dependent women the alternative between prostitution and suicide as an escape from beggary is organized crime, for which some day unrelenting justice will demand atonement and expiation.

Mr. President, the man who loves his country and the man who studies her history will search in vain for any natural cause for this appalling condition. The earth has not forgotten to yield her increase. There has been no general failure of harvests. We have had benignant skies and the early and the latter rain. Neither famine nor pestilence has decimated our population nor wasted its energies. Immigration is flowing in from every land and we are in the lusty prime of national youth and strength, with unexampled resources and every stimulus to their development; but, sir, the great body of the American people are engaged to-day in studying these problems that I have suggested in this morning hour. They are disheartened with misfortunes. They are weary with unrequited toil. They are tired of the exactions of the speculators. They desire peace and rest. They are turning their attention to the great industrial questions which underlie their material prosperity. They are indifferent to party. They care nothing for Republicanism nor for Democracy as such. They are ready to say, "A plague on both your houses," and they are ready also, Mr. President, to hail and to welcome any organization, any measure, any leader that promises them relief from the profitless strife of politicians and this turbulent and distracting agitation which has already culminated in violence and may end in blood.

Such, sir, is the verdict which I read in the elections from which we have just emerged, a verdict that was unexpected by the leaders of both parties and which surprised alike the victors and the vanquished. It was a spontaneous, unpremeditated protest of the people against existing conditions. It was a revolt of the national conscience against injustice, a movement that is full of pathos and also full of danger, because such movements sometimes make victims of those who are guiltless. It was not a Republican defeat. It was not a Democratic victory. It was a great upheaval and uprising, independent of and superior to both. It was a crisis that may become a catastrophe, filled with terrible admonition, but not without encouragement to those who understand and are ready to co-operate with it. It was a peaceful revolution, an attempt to resume rights that seemed to have been infringed.

It is many years, Mr. President, since I predicted this inevitable result. In a speech delivered in this Chamber on the 15th of February, 1878, from the seat that is now adorned by my honorable friend from Texas who sits before me [Mr. REAGAN], I said:

We can not disguise the truth that we are on the verge of an impending revolution.

THE OLD ISSUES ARE DEAD.

The people are arraying themselves upon one side or the other of a portentous contest. On one side is capital, formidably entrenched in privilege, arrogant from continued triumph, conservative, tenacious of old theories, demanding new concessions, enriched by domestic levy and foreign commerce, and struggling to adjust all values to its own standard. On the other is labor, asking for employment, striving to develop domestic industries, battling with the forces of nature, and subduing the wilderness; labor, starving and sullen in cities, resolutely determined to overthrow a system under which the rich are growing richer and the poor are growing poorer; a system which gives to a Vanderbilt the possession of wealth beyond the dreams of avarice and condemns the poor to a poverty which has no refuge from starvation but the prison or the grave.

Our demands for relief, for justice, have been met

WITH INDIFFERENCE OR DISDAIN.

The laborers of the country asking for employment are treated like impudent mendicants begging for bread.

Mr. President, it may be cause, it may be coincidence, it may be effect, it may be *post hoc* or it may be *propter hoc*, but it is historically

true that this great blight that has fallen upon our industries, this paralysis that has overtaken our financial system, coincided in point of time with the diminution of the circulating medium of the country. The public debt was declared to be payable in coin, and then the money power of silver was destroyed. The value of property diminished in proportion, wages fell, and the value of everything was depreciated except debts and gold. The mortgage, the bond, the coupon, and the tax have retained immortal youth and vigor. They have not depreciated. The debt remains, but the capacity to pay has been destroyed. The accumulation of years disappears under the hammer of the sheriff and the debtor is homeless, while the creditor obtains the security for his debt for a fraction of what it was actually worth when the debt was contracted.

There is, Mr. President, a deep-seated conviction among the people, which I fully share, that the demonetization of silver in 1873 was one element of a great conspiracy to deliver the fiscal system of this country over to those by whom it has, in my opinion, finally been captured. I see no proof of the assertion that the demonetization act of 1873 was fraudulently or corruptly procured, but from the statements that have been made it is impossible to avoid the conviction that it was part of a deliberate plan and conspiracy formed by those who have been called speculators to still further increase the value of the standard by which their accumulations were to be measured. The attention of the people was not called to the subject. It is one of the anomalies and phenomena of legislation.

That bill was pending in its various stages for four years in both Houses of Congress. It passed both bodies by decided majorities. It was read and reread and reprinted thirteen times, as appears by the records. It was commented upon in newspapers; it was the subject of discussion in financial bodies all over the country; and yet we have the concurrent testimony of every Senator and every member of the House of Representatives who was present during the time that the legislation was pending and proceeding that he knew nothing whatever about the demonetization of silver and the destruction of the coinage of the silver dollar. The Senator from Nevada [Mr. STEWART], who knows so many things, felt called upon to make a speech of an hour's duration to show that he knew nothing whatever about it. I have heard other members declaim and with one consent make excuse that they knew nothing about it.

As I say, it is one of the phenomena and anomalies of legislation, and I have no other explanation to make than this: I believe that both Houses of Congress and the President of the United States must have been hypnotized. So great was the power of capital, so profound was the impulse, so persistent was the determination, that the promoters of this scheme succeeded by the operation of mind power and will force in capturing and bewildering the intelligence of men of all parties, of members of both Houses of Congress, and the members of the Cabinet, and the President of the United States.

And yet, Mr. President, it can not be doubted that the statements that these gentlemen make are true. There is no doubt of the sincerity or the candor of those who have testified upon this matter; and it is incredible (I am glad it occurred before I was a member of this body) that a change in our financial system that deprived one of the money metals of its debt-paying power, that changed the whole financial system of the country and to a certain extent the entire fiscal methods of the world, could have been engineered through the Senate and the House of Representatives and the Cabinet of the President and secured Executive approval without a single human being knowing anything whatever about it. In an age of miracles, Mr. President, wonders never cease.

It is true that this marvel was accomplished when the subject was not one of public discussion. It was done at a time when, although the public mind was intensely interested in financial subjects and methods of relief from existing conditions were assiduously sought, the suggestion had never proceeded from any quarter that this could be accomplished by the demonetization of silver or ceasing to coin the silver dollar. It was improvidently done, but it would not be more surprising, it would not be more of a strain upon the human judgment, if fifteen years from now we were to be informed that no one was aware that in the bill that is now pending the proposition was not made for the free coinage of silver.

Mr. President, there is not a State west of the Alleghany Mountains and south of the Potomac and Ohio Rivers that is not in favor of the free coinage of silver. There is not a State in which, if that proposition were to be submitted to a popular vote, it would not be adopted by an overwhelming majority. I do not mean by that inclusion to say that in those States east of the Alleghanies and north of the Ohio and Potomac Rivers there is any hostility or indisposition to receive the benefits that would result from the remonetization of silver. On the contrary, in the great Commonwealths that lie to the northeast upon the Atlantic seaboard, New York, Pennsylvania, and the manufacturing and commercial States, I am inclined to believe from the tone of the press, from the declarations of many assemblies, that if the proposition were to be submitted there it would also receive a majority of the votes.

If the proposition were to be submitted to the votes of the people of

this country at large whether the silver dollar should be recoined and silver remonetized, notwithstanding the prophecies, the predictions, the animadversions of those who are opposed to it, I have not the slightest doubt that a great majority of the people, irrespective of party, would be in favor of it, and would so record themselves. They have declared in favor of it for the past fifteen years, and they have been juggled with, they have been thwarted, they have been paltered with and dealt with in a double sense. The word of promise that was made to their ear in the platforms of political parties has been broken to their hope. There was a majority in this body at the last session of Congress in favor of the free coinage of silver. The compromise that was made was not what the people expected nor what they had a right to demand. They felt that they had been trifled with, and that is one cause of the exasperation expressed in the verdict of November 4.

I feel impelled to make one further observation. Warnings and admonitions have been plenty in this debate. We have been admonished of the danger that would follow; we have been notified of what would occur if the free coinage of silver were supported by a majority of this body or if it were to be adopted as a part of our financial system. I am not a prophet, nor the son of a prophet, but I say to those who are now arraying themselves against the deliberately expressed judgment of the American people, a judgment that they know has been declared and recorded—I say to the members of this body, I say, so far as I may do so with propriety, to the members of the co-ordinate branch of Congress, and I say, if without impropriety I may do so, to the Executive of the nation, that there will come a time when the people will be trifled with no longer on this subject.

Once, twice, thrice by Executive intervention, Democratic and Republican, by parliamentary proceedings that I need not characterize, by various methods of legislative jugglery, the deliberate purpose of the American people, irrespective of party, has been thwarted, it has been defied, it has been contemptuously trodden under foot; and I repeat to those who have been the instruments and the implements, no matter what the impulse or the motive or the intention may have been, at some time the people will elect a House of Representatives, they will elect a Senate of the United States, they will elect a President of the United States, who will carry out their pledges and execute the popular will.

Mr. President, by the readjustment of the political forces of the nation under the Eleventh Census the seat of political power has at last been transferred from the circumference of this country to its center. It has been transferred from the seaboard to that great intramontane region between the Alleghanies and the Sierras, extending from the British possessions to the Gulf of Mexico, a region whose growth is one of the wonders and marvels of modern civilization. It seems as if the column of migration had paused in its westward march to build upon those tranquil plains and in those fertile valleys a fabric of civilization that should be the wonder and the admiration of the world, rich in every element of present prosperity, but richer in every prophecy of future greatness and renown.

When I went West, Mr. President, as a carpetbagger in 1858, St. Louis was an outpost of civilization, Jefferson City was the farthest point reached by a railroad, and in all that great wilderness, extending from the sparse settlements along the Missouri to the summits of the Sierra Nevada and from the Yellowstone to the cañons of the Rio Grande, a vast solitude from which I have myself since that time voted to admit seven States into the American Union, there was neither harvest nor husbandry, neither habitation nor home save the hut of the hunter and the wigwam of the savage. Mr. President, we have now within those limits, extending southward from the British possessions and embracing the States of the Mississippi Valley, the Gulf, and the Southeastern Atlantic, a vast productive region, the granary of the world, a majority of the members of this body, of the House of Representatives, and of the electoral college.

We talk with admiration of Egypt. For thirty centuries the ruins of its cities, its art, its religions, have been the marvel of mankind. The pyramids have survived the memory of their builders, and the Sphinx still questions with solemn gaze the vague mystery of the desert.

The great fabric of Egyptian civilization, with its wealth and power, the riches of its art, its creeds and faiths and philosophies, was reared from the labors of a few million slaves under the lash of despots, upon a narrow margin 450 miles long and 10 miles wide, comprising in all with the delta of the Nile no more than 10,000 square miles of fertile land.

Who, sir, can foretell the future of that region to which I have adverted, with its 20,000 miles of navigable water courses, with its hundreds of thousands of square miles of soil, excelling in fecundity all that of the Nile, when the labor of centuries of freemen under the impulse of our institutions shall have brought forth their perfect results?

Mr. President, it is to that region, with that population and with such a future, that the political power of this country has at last been transferred, and they are now unanimously demanding the free coinage of silver. It is for that reason that I shall cordially support the amendment proposed by the Senator from Nevada. In doing so I not only follow the dictates of my own judgment, but I carry out the wishes of a great majority of my constituents irrespective of party or of

political affiliation. I have been for the free coinage of silver from the outset, and I am free to say that, after having observed the operations of the act of 1876, I am more than ever convinced of the wisdom of that legislation and the futility of the accusations by which it was assailed.

The people of the country that I represent have lost their reverence for gold. They have no longer any superstition about coin. Notwithstanding all the declarations of the monometallists, notwithstanding all the assaults that have been made by those who are in favor of still further increasing the value of the standard by which their possessions are measured, they know that money is neither wealth nor capital nor value, and that it is merely the creation of the law, by which all these are estimated and measured.

We speak, sir, about the volume of money and about its relation to the wealth and capital of the country. Let me ask you, sir, for a moment what would occur if the circulating medium were to be destroyed? Suppose that the gold and silver were to be withdrawn suddenly from circulation and melted up into bars and ingots and buried in the earth from which they were taken. Suppose that all the paper money, silver certificates, gold certificates, national bank notes, Treasury notes, were stacked in one mass at the end of the Treasury building and the torch applied to them and they were to be destroyed by fire and their ashes spread, like the ashes of Wicklyffe, upon the Potomac to be spread abroad wide as its waters be.

What would be the effect? Would not this country be worth exactly as much as it is to-day? Would there not be just as many acres of land, as many houses, as many farms, as many days of labor, as much improved and unimproved merchandise, and as much property as there is to-day? The result would be that commerce would languish, the sails of the ships would be furled in the harbors, the great trains would cease to run to and fro on their errands, trade would be reduced to barter, and the people finding their energies languishing, civilization itself would droop, and we should be reduced to the condition of nomadic wanderers upon the primeval plains.

Suppose, on the other hand, that, instead of being destroyed, all the money in this country were to be put in the possession of a single man—gold, and paper, and silver—and he were to be moored in mid-Atlantic upon a raft with his great board, or to be stationed in the middle of Sahara's desert without food to nourish, or shelter to cover, or the means of transportation to get away. Who would be the richest man, the possessor of the gigantic treasure or the humblest settler upon the plains of the West, with a dugout to shelter him and with cornmeal and water enough for his daily bread?

Doubtless, Mr. President, you search the Scriptures daily and are therefore familiar with the story of those depraved politicians of Judea who sought to entangle the Master in his talk by asking him if it were lawful to pay tribute to Caesar or not. He, perceiving the purpose that they had in view, said unto them, "Show me the tribute money;" and they brought Him a penny. He said "Whose is this image and superscription?" and they replied "Caesar's," and He said "Render unto Caesar the things that are Caesar's, and unto God the things that are God's."

I hold, Mr. President, between my thumb and finger a silver denarius, or "penny" of that ancient time, bearing the image and superscription of Caesar. It has been money for more than twenty centuries. Imperial Caesar is "dead and turned to clay." He has yielded to a mightier conqueror, and his eagles, his ensigns, and his trophies are indistinguishable dust. His triumphs and his victories are a school-boy's tale. Rome herself is but a memory. Her marble porticoes and temples and palaces are in ruins. The sluggish monk and the lazy lazzaroni haunt the senate house and the Coliseum, and the derisive owl wakes the echoes of the voiceless forum. But this little contemporary disk of silver is money still, because it bears the image and superscription of Caesar. And, sir, it will continue to be money for twenty centuries more, should it resist so long the corroding canker and the gnawing tooth of time. But if one of these pages here should take this coin to the railway track, as boys sometimes do, and allow the train to pass over it, in one single instant its function would have disappeared, and it would be money no longer, because the image and superscription of Caesar would have disappeared.

Mr. President, money is the creation of law, and the American people have learned that lesson, and they are indifferent to the assaults, they are indifferent to the arguments, they are indifferent to the aspersions which are cast upon them for demanding that the law of the United States shall place the image and superscription of Caesar upon silver enough and gold enough and paper enough to enable them to transact without embarrassment, without hindrance, without delay, and without impoverishment their daily business affairs, and that shall give them a measure of values that will not make their earnings and their belongings the sport and the prey of speculators.

Mr. President, this contest can have but one issue. The experiment that has begun will not fail. It is useless to deny that many irregularities have been tolerated here; that many crimes have been committed in the sacred name of liberty; that our public affairs have had scandalous episodes to which every patriotic heart reverts with distress; that there have been envy and jealousy in high places; that there have been

treacherous and lying platforms; that there have been shallow compromises and degrading concessions to popular errors; but amid all these disturbances, amid all these contests, amid all these inexplicable aberrations, the march of the nation has been steadily onward.

At the beginning of our second century we have entered upon a new social and political movement whose results can not be predicted, but which are certain to be infinitely momentous. That the progress will be upward I have no doubt. Through the long and desolate track of history, through the seemingly aimless struggles, the random gropings of humanity, the turbulent chaos of wrong, injustice, crime, doubt, want, and wretchedness, the dungeon and the block, the inquisition and the stake, the trepidations of the oppressed, the bloody exultations and triumph of tyrants,

The uplifted ax, the agonizing wheel,
Luke's iron crown and Damien's bed of steel,

the tendency has been towards the light. Out of every conflict some man or sect or nation has emerged with privileges, greater opportunities, purer religion, broader liberty, and greater capacity for happiness; and out of this conflict in which we are now engaged I am confident finally will come liberty, justice, equality; the continental unity of the American Republic, the social fraternity and the industrial independence of the American people. [Applause in the galleries.]

The VICE PRESIDENT. The Chair takes this occasion to remind the occupants of the galleries that they are present by the courtesy of the Senate, and any manifestations of approbation or disapprobation are violations of order. The Sergeant-at-Arms will see that order is maintained in the galleries.

[Mr. JONES, of Nevada, addressed the Senate. See Appendix.]

Mr. ALDRICH. Mr. President, I offer an amendment to the amendment of the Senator from Nevada [Mr. STEWART], not for the purpose of taking the floor for ten minutes, but in order that it may be read.

The VICE PRESIDENT. The amendment to the amendment will be read.

The CHIEF CLERK. In line 1, after the first word "that," strike out all of the amendment and insert:

gold and silver bullion brought to the mint for coinage shall be received and coined, by the proper officers, into standard gold or silver coin for the benefit of the depositor: *Provided*, That it shall be lawful to refuse, at the mint, any deposit of less value than \$100 and any bullion so base as to be unsuitable for the operations of the mint: *And provided also*, That when gold and silver are combined, if either of these metals be in such small proportion that it can not be separated advantageously, no allowance shall be made to the depositor for the value of such metal; but, in all cases, whether the gold and silver deposited be coined or cast into bars or ingots, there shall be a charge to the depositor, in addition to the charge now made for refining or parting the metals, of one-half of 1 per cent; the money arising from this charge of one-half per cent, shall be charged to the treasurer of the mint, and from time to time, on warrant of the Director of the Mint, shall be transferred into the Treasury of the United States: *Provided, however*, That nothing contained in this section shall be considered as applying to the half dollar, the quarter dollar, the dime, and half dime.

The VICE PRESIDENT. The Chair is informed that the Senator from Louisiana [Mr. GIBSON] and the Senator from New York [Mr. HISCOCK] do not desire to address the Senate unless it may be under the ten-minute rule.

Mr. GORMAN. I desire to ask for information whether the amendment of the Senator from Rhode Island is now in order. I understand there is an amendment pending before the Senate, which is an amendment to an amendment.

Mr. ALDRICH. That is true.

Mr. STEWART. The amendment is not in order.

The VICE PRESIDENT. The Chair is of opinion that the amendment is in order.

Mr. ALDRICH. I understand the amendment to be in order. I do not know myself why it is not in order.

Mr. STEWART. It is an amendment in the third degree.

Mr. ALDRICH. I should be glad to have the ruling of the Presiding Officer of the Senate on that subject. I do not know why it is not in order.

Mr. GORMAN. I ask the Chair to state the condition of the question now that we may understand it.

Mr. HOAR. Let the Chair state the pending question.

Mr. ALDRICH. If the Chair will pardon me I will state what I understand to be the situation. The Committee on Finance reported the bill back with a recommendation to strike out the fourth section of the bill and insert something else as a fourth section. The rules of the Senate require, where a motion is made to strike out and insert, that both the part to be stricken out and the part to be inserted shall be treated as an original question, and, therefore, amendable as an original question. The Senator from Nevada moved to amend the part proposed to be inserted by the committee, and I move to amend his amendment.

The VICE PRESIDENT. The Secretary will read from Rule XVIII. The Chief Clerk read as follows:

RULE XVIII.

- * If the question in debate contains several propositions, any Senator may have the same divided, except a motion to strike out and insert, which shall not be divided; but the rejection of a motion to strike out and insert one proposition shall not prevent a motion to strike out and insert a different proposition; nor shall it prevent a motion simply to strike out; nor shall the rejection of a mo-

tion to strike out prevent a motion to strike out and insert. But, pending a motion to strike out and insert, the part to be stricken out and the part to be inserted shall each be regarded for the purpose of amendment as a question; and motions to amend the part to be stricken out shall have precedence.

The VICE PRESIDENT. The Secretary will now read from the Journal of the Senate the action of the Senate on a previous occasion of a similar character.

The Chief Clerk read as follows from the Journal of the Senate of September 20, 1890, page 537:

On motion by Mr. DOLPH to amend the part proposed to be inserted by the amendment made as in Committee of the Whole, by inserting as an additional section the following:

"Sec. 16. That the States of Oregon, Washington, Montana, and Idaho shall constitute the tenth judicial circuit, and there shall be appointed by the President of the United States"—

Mr. HOAR. It is not necessary to read, I suppose, the substance of the amendment.

The VICE PRESIDENT. No; it is not necessary to read the section proposed to be inserted.

Mr. STEWART. Before that is read, it will be observed that this is a second motion to strike out and insert; it is not a motion to amend either proposition. That certainly can not be in order when there is a motion to amend.

Mr. ALDRICH. I have moved to strike out all after the first word "that" and to insert what has been read.

Mr. STEWART. Then the other is an amendment. The amendment of the committee strikes out all after the word "that" and inserts.

Mr. ALDRICH. No; it strikes out the whole section.

Mr. STEWART. That is the whole section. It retains the word "that," and strikes out all after that and inserts. What I offered was an addition to it, not an amendment to it. Now it is proposed to strike out my entire amendment and to insert the language proposed by the Senator from Rhode Island. That is certainly not within the rule.

The VICE PRESIDENT. The Chief Clerk will continue reading the precedent bearing upon the question in point.

The Chief Clerk read as follows:

On motion by Mr. INGALLS to amend the amendment proposed by Mr. DOLPH, by striking out all after the first word "That" and in lieu thereof inserting certain words,

Mr. DOLPH raised a question of order, viz, that the amendment proposed by Mr. INGALLS was an amendment in the third degree and could not be received.

The Vice President overruled the point of order on the ground that, under Rule XVIII, the part proposed to be inserted by the amendment of the Committee of the Whole was to be regarded for the purpose of amendment as a question; and therefore, the amendment of Mr. DOLPH being in the first degree, the amendment of Mr. INGALLS was in the second degree only.

From the decision of the Chair Mr. DOLPH appealed to the Senate; and on the question, Shall the decision of the Chair stand as the judgment of the Senate?

On motion by Mr. DOLPH,

The yeas were 18 and the nays were 23.

The number of Senators voting not constituting a quorum, The Vice President directed the roll to be called, when forty-eight Senators answered to their names.

A quorum being present, and

The question being again taken on the motion of Mr. HALE,

It was determined in the affirmative, { Yeas 28
Nays 17

So it was

Ordered, That the appeal lie on the table.

Mr. STEWART. I submit that although the motion to strike out and insert may be amended, yet a motion to strike out a second time and insert does not come within the rule.

Mr. ALDRICH. It is exactly the same question that was submitted to the Senate and ruled upon in the case that has been read, and that question arose in precisely the same way.

Mr. GORMAN. I should like to have the Chair state for my information the exact status of the question now before the Senate. What does the Chair understand are the amendments now pending before the Senate and the order in which they stand?

The VICE PRESIDENT. The first is the amendment by the committee to strike out section 4 and insert a new section. Then the Senator from Nevada [Mr. STEWART] offers an amendment to the amendment of the committee proposing to add to the part to be inserted. The Senator from Rhode Island [Mr. ALDRICH] now offers an amendment to the amendment proposed by the Senator from Nevada.

Mr. GORMAN. Then I understand the Chair to hold that the amendment of the committee to strike out section 4 and insert is to be treated as one question.

The VICE PRESIDENT. The Chair so holds.

Mr. GORMAN. I ask the Chair whether, under the rules of the Senate, it is not in order for me to move an amendment now to perfect the part proposed to be stricken out.

The VICE PRESIDENT. It is.

Mr. GORMAN. Then I offer an amendment to section 4, for the purpose of perfecting the part that is proposed to be stricken out.

Mr. COCKRELL. That is clearly in order.

The VICE PRESIDENT (at 1 o'clock and 52 minutes p. m.). The Chair understands that the debate will now be continued under the ten-minute rule.

Mr. GORMAN. So I understand. Mr. President, I recognize that under the ten-minute rule, which we agreed to unanimously in the Senate, it is impossible to discuss this question properly, and we shall have to confine ourselves to the amendments. The course of the debate has been such that I think it is recognized by everybody on both sides of the Chamber—at least on this side—that after the occurrences of last night and this morning it is impossible to reply to much that has been said on the other side of the Chamber. There was one deliberate statement, however, made by the Senator from Ohio [Mr. SHERMAN] and another by the Senator from Rhode Island [Mr. ALDRICH] which I think ought to be noticed.

The Senator from Ohio in his speech yesterday attempted to place the responsibility for this legislation on this side of the Chamber, when the fact is, Mr. President, that the course of that Senator and his colleagues in the committee, who have had entire control of determining what proposition should be presented here for consideration, did so without conferring with us on this side of the Chamber, notwithstanding the public offer was made, and the private suggestion on numerous occasions, that in the present emergency we would be glad to co-operate with him and his party in aiding to frame and pass some conservative measure which would not shock or disturb the financial interests of the country; that offer has been rejected; and the bill that is now before the Senate, coming from the Committee on Finance—and if the published reports be true, and I have no doubt they are—was the result of the effort of the other side of the Chamber as a party, and the consideration of the bill in the Committee on Finance was practically the deliberation of one side politically.

Therefore, he having excluded us from his councils and prevented us from participating in the determination of the provisions of the bill, he can not come before the Senate and the country now and hold us responsible for its enormities or its failure to meet the great question with which we are dealing.

The Senator from Rhode Island [Mr. ALDRICH] has attempted to make the impression that the Democratic party for the first time supported free coinage and was following the Senator from Nevada [Mr. STEWART]. I am persuaded the Senator did this for the purpose of making the impression, that is not borne out by the fact, that there is some arrangement between us and the Senator from Nevada. Mr. President, long before the question now pending every Senator on this side of the Chamber who voted, except three, at the last session of Congress, voted for the free coinage of silver without any reference to other matters that are pending.

That was in 1890, before the election, and the Democrats in this branch and elsewhere took their stand and voted for the proposition they believed to be right, and we believe that it was one of the reasons why we had the overwhelming victory in November last.

But, Mr. President, it appears according to the speeches of the Senator from Iowa [Mr. ALLISON], the Senator from Ohio [Mr. SHERMAN], and the Senator from Rhode Island [Mr. ALDRICH] that they brought in here a bill containing the mixture of views, not agreed to by anybody apparently on the other side, certainly the members of the Committee on Finance differing as to the various sections of the bill that is brought here, Mr. President, as I believe, for the purpose of obstructing and preventing any fair legislation that would meet the wants of the country. I have no doubt that behind it all was the intention, the belief, the knowledge that such a bill so constructed, without an attempt to harmonize the views upon the different sides of the Chamber, would result in no legislation whatever. I think the country will understand it and the people will not place the responsibility upon the Democratic party.

Mr. STEWART. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland yield?

Mr. GORMAN. Will the interruption come out of my time?

Mr. STEWART. Then I shall not interrupt the Senator.

Mr. GORMAN. I have not much left of my ten minutes, I presume.

The VICE PRESIDENT. The Senator from Maryland has consumed four or five minutes.

Mr. GORMAN. Now, Mr. President, the question of free coinage, as has been well said by the Senator from Kansas [Mr. INGALLS] today, has been decided by the people of this country. There was, however, a suggestion made, I believe, by the Senator from Ohio [Mr. SHERMAN] which has great force in it. Capital is timid, and there is throughout his section of the country a fear that if we have this unlimited coinage, embracing the metal coming from any part of the world, it may for a moment, for the time being, jeopardize our system and destroy it, creating embarrassment and panic.

Now, the Senator from Nevada [Mr. STEWART]—and I ask his attention for a moment—has presented to the Senate a proposition, introduced on the 12th, which I understand to be a modification of his original proposition, and which provides for free coinage of all the American metal, all that is produced by our own mines, within our own borders, and provides a charge for coinage upon all other silver bullion or silver that may be offered in the mints. That proposition, it seems to me, answers fully and completely the only serious statement that I have heard made on the other side against absolutely free coinage,

and I ask the Senator from Nevada now, in the interest which he so ably represents, in the present emergency and for the purpose of preventing the possibility of disturbance of our financial affairs, to accept that amendment as I offer it now. The amendment is to come in after the word "that" in the fourth section. Upon that let us have a vote and determine this question on this amendment, which I ask may be read.

Mr. STEWART. I will accept it if the Senator offers it.

Mr. GORMAN. I want to perfect the original text of the bill.

The CHIEF CLERK. Section 4, page 3, after the word "that," strike out the remainder of the section and insert—

Mr. ALDRICH. I should like to make an inquiry before the amendment is read. Is this the amendment of the Senator from Maryland or the amendment of the Senator from Nevada, or is it a joint production?

Mr. REAGAN. It is an amendment to perfect the original text.

Mr. ALDRICH. I did not understand whether the Senator from Maryland offered it as his own amendment or whether he was indorsing it as an amendment of the Senator from Nevada.

Mr. GORMAN. I offer it as an amendment to the original text of the bill for the purpose of perfecting it.

Mr. STEWART. I suggest to the Senator from Maryland to confine his motion to strike out to that portion which provides for the issuance of bonds, and to leave the appropriation as it is, and amend that afterwards.

Mr. GORMAN. We have not reached that point yet. I only move to strike out down to line 32.

Mr. ALDRICH. I suggest to the Senator from Nevada to hold a joint caucus, so that we can have a caucus bill brought in.

Mr. GORMAN. Let the amendment I offer be read.

The VICE PRESIDENT. The amendment of the Senator from Maryland will be reported.

The CHIEF CLERK. On page 3, section 4, strike out all after the word "That" and insert:

From and after the passage of this act the unit of value in the United States shall be the dollar, and the same may be coined of 25.8 grains of standard gold, or 412½ grains of standard silver, and the said coins shall be receivable for customs and be a legal tender for all public and private dues. And any owner of gold or silver bullion not too base for the operations of the mint may deposit the same at any mint of the United States, in amounts of each of not less value than \$100, to be coined into standard dollars for his benefit without charge, or receive therefor, respectively, standard gold coin or standard silver coin; and, at the owner's option, he may receive instead therefor, at the coinage valuation thereof, Treasury notes, to be issued by the Secretary of the Treasury, of the character, description, and function described in an act entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes," approved July 14, 1890: *Provided*, That all such Treasury notes issued under the provisions of this act shall be a legal tender for their nominal amount in payment of all dues, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received shall be reissued: *Provided further*, That all silver bullion not the product of the mines, mills, or smelters of the United States, and all silver coin and silver bullion the product of silver coin other than the silver coin of the United States, shall, in the discretion of the Secretary of the Treasury, be subject to a mint charge to be fixed from time to time by him, but which charge shall not exceed the difference between the market value of said silver bullion in London, England, at the time of its deposit and the coinage value thereof, and the Secretary of the Treasury may make such rules and regulations as may be necessary to determine whether the silver bullion so offered is or is not the product of the mines and smelters of the United States.

Mr. STEWART. I take it that the amendment of the Senator from Rhode Island [Mr. ALDRICH] is offered for the purpose of embarrassing the bill. I do not suppose he would vote for such a proposition at all. I do not believe he would vote for it, but against it. I now call upon him to state whether he and his colleagues will vote to support the proposition he has offered. Will the Senator from Rhode Island vote for and support the amendment which he has proposed?

Mr. ALDRICH. I will answer in my own time.

Mr. STEWART. The Senator says he will answer in his own time. Then he is not prepared to answer at this time.

I should like to state the difference between that amendment and free coinage. In the first place, it proposes to charge seigniorage upon both gold and silver, which is not charged by other countries in the world where they have coinage. Great Britain charges nothing; she has free coinage in gold. Whatever metal is there honored with the stamp of the Government upon it, as a rule, has no mint charge. There is no seigniorage charge upon gold. For that I made a contest years ago, and everybody is now satisfied. We do not want to put a charge upon gold or silver.

There is another difficulty about the amendment suggested by the Senator from Rhode Island. It does not provide for the issuance of Treasury notes in excess of its capacity and is insufficient. It will confine both gold and silver to the mint capacity. It is well recognized, I suppose, that the mints do not coin any large quantity of it. It lies there in bars and certificates are issued on them. That is to be stopped; and the practice also is to be stopped of receiving gold and issuing certificates and receiving silver and issuing certificates. The mint will be entirely inadequate to perform that work. It will not go out. Probably the mint capacity of the United States would not permit the coinage of more than two millions and a half, and then we should have a contest with the Treasury officials about more mint capacity. That is another difficulty about this matter, and I hope, therefore, it will not

be adopted, because the Senator himself is not for it, and it is simply a make-weight to embarrass the operations of the Senate.

Following in order, I think that the amendment of the Senator from Maryland [Mr. GORMAN] meets every contingency. It provides for free coinage of both gold and silver and provides that at the option of the owner of bullion he can take Treasury notes and get this money at once. That applies to the entire American product. It does not prohibit the coinage of foreign silver, but puts a mint charge upon that to meet the arguments that have been suggested as to a flow of silver or bullion into this country from other countries.

Mr. GRAY. Will the Senator allow me to ask, is not the amendment offered by the Senator from Rhode Island a more unrestricted coinage proposition than the proposition of the Senator from Maryland?

Mr. STEWART. If we had a mint capacity to carry it out, if we had further legislation, then it would take in the silver of all the world. But it does not provide for any means of paying for the bullion as it comes in. Consequently it would be a very limited transaction.

Mr. EUSTIS. I should like to ask the Senator from Nevada if this amendment and proviso be adopted what amount of silver and currency would, in his opinion, be added to the present volume. How much silver money, whether in dollars or in bullion represented by a silver certificate, will be added to our present volume annually?

Mr. STEWART. I will answer as accurately as I can.

In the first place, the silver money will be increased by the difference between the present market value and the coinage value, which will add considerable. At the market value of silver money that is being issued under the present law, it would be a little over \$54,000,000 a year, if at the rate of \$1 per ounce. If it was \$1.29 per ounce, it would be about \$70,000,000 per year. That would be the addition. Then, as to getting a greater quantity of silver, how much more silver we will get is uncertain. We have not the figures for the current year. Last year we produced \$54,000,000 from our own mines, and we brought in in the shape of ores about \$6,000,000 more, making in all about \$60,000,000.

The importation of ore was checked somewhat by the duty on lead. So the amount imported from that source will not be so great this year probably. We have not the returns, however. It will probably be less than \$60,000,000 with the ores that have been imported. If there was a difference between the foreign and domestic prices, it might stimulate the production of the ores a little. You would probably get 60,000,000 ounces, which would give us in the neighborhood of \$80,000,000 in money, apparently, if it continues.

Mr. EUSTIS. What would be the excess of difference under the amendment over existing law?

Mr. STEWART. The excess of difference would consist principally in the enhanced value of silver. You would get \$1.29 instead of \$1, but the excess would probably be, over the present law, \$20,000,000 a year.

Mr. EUSTIS. Then I understand the effect of the amendment, with the proviso, if adopted, would be to add only \$20,000,000 of silver to our present volume?

Mr. STEWART. In addition to what the present law would produce.

Mr. EUSTIS. I desire to ask the Senator from Nevada, after all the speeches that have been made on the silver question, whether he does not consider that that is a very small and insignificant addition to our silver currency.

Mr. STEWART. I think it is a small addition, and I should be glad if we could have more silver and have a further addition. But I think we shall get about as much that way as the other. I do not share in the apprehension that there will be any considerable amount of coined silver sent to this country. That is impossible. I do not think there is any danger of it. But I consent to the proposition in order to meet the fears of those who apprehend that other countries will demonetize silver and send their coinage here.

As to the current product of silver, if we take all of our own silver, when conditions become normal it will become impossible for us to get more. It takes about half the product, and Asia must continue to be supplied. There is a temporary falling off there on account of the fears of people, for when silver ran up to \$1.29 it stopped exportations from India and produced a very stringent condition of the money market; but then they issued paper to bridge over that difficulty temporarily. When we have an established rule—

The VICE PRESIDENT. The Senator's time has expired.

Mr. ALDRICH. Mr. President, I did not offer the amendment which has been read from the Clerk's desk with any intention of voting for it myself or with the expectation that it would be adopted by the Senate, but merely to test the sincerity of Senators who are talking about the restoration of the status of 1853. This amendment is an identical transcript of the law as it existed in this country from 1853 to 1873. In other words, it is the coinage law of 1834, adopted by a Democratic Congress, signed by Andrew Jackson, inspired by Thomas Benton, as amended in 1853. The Senator from Nevada [Mr. JONES] said this morning he is in favor of undoing the wrong of 1873. There is no way in which that can be done that I know of so well as to restore

the legislation which was in existence prior to that time. I know that is not what the Senator from Nevada or any of his friends desire; it is the unlimited purchase of bullion, and not the free coinage of silver.

Mr. STEWART. I want to correct the Senator, if he will allow me.

Mr. ALDRICH. Not just now. But it is what the great mass of the people of this country who are in favor of free coinage have asked this Congress to adopt. I hold in my hand one of the great number of petitions which have been sent to the Committee on Finance, having been presented upon the floor by Senators from different States, and I desire to call the attention of the Senate and the country to the character of this petition and what it is that these people desire.

Mr. DANIEL. Will the Senator for information be kind enough to state the effect of the amendment? I could not catch the whole purport of it.

Mr. ALDRICH. The effect is to restore the legislation which existed in this country substantially from 1834 to 1873, and identically as it existed from 1853 to 1873. This petition asks Congress "for the restoration of silver to its constitutional place as a money metal, with the same rights of coinage and legal tender as are now accorded to gold and as existed from the foundation of the Government down to 1873, when the unfortunate act of demonetization was passed."

Mr. STEWART. Let me inform the Senator that, amending that, there was a provision for a bullion fund to be on hand to take the money as it came in, which worked very inconveniently, and they wanted a more convenient bullion fund, so as not to delay persons who had silver or gold bullion and desired to get money on it.

Mr. ALDRICH. I shall not undertake to discuss what propositions were before Congress at any time from 1834 to 1873 or what was the effect of the legislation which was enacted at that time, but I desire to call the attention of the country as plainly as I can to the fact that Senators here are desiring and are determined to have something entirely different from the free coinage of silver which existed from 1834 to 1873, and that the proposition which they are now asking popular support upon is a delusion and a snare.

I am now talking about the proposition before it was modified by the joint action of Senators upon the other side and the Senator from Nevada. I called attention yesterday to the fact that Senators upon the other side are implicitly following the lead of that distinguished Senator. He, two or three days ago, offered an amendment for the information of the Senate, as he said, desiring that if any Senator should see fit to offer it he might have an opportunity to do so. This morning the reasons for that information become apparent. The Senator from Maryland, acting in behalf, I suppose, of that side of the Chamber, comes in here and offers the identical proposition which the Senator from Nevada two or three days ago offered for the information of the Senate. The remarks which I made yesterday have borne a prompt fruition this morning, and we find the Democratic party switched off absolutely from the proposition for the free coinage of silver and supporting a nondescript which I shall try to find terms to characterize the next time I am able to obtain the floor.

Mr. REAGAN. Mr. President, the amendment offered by the Senator from Rhode Island looks to the coinage of silver and gold. It is intended to supplant a provision which is most important in order to secure convenient circulation. If the amendment which the Senator offers, and which he tells the Senate he would not vote for, should be adopted, it would then furnish one of the staple arguments that have been used by those who do not favor the coinage of silver by saying that it is a heavy metal and you can not transport it and can not use it as money.

The amendment presented by the Senator from Maryland and originally drawn by the Senator from Nevada, while it provides for the coinage of silver and gold, provides that on the deposit of bullion silver notes may be issued, which are convenient for handling and for transportation, so as to give us a currency suited for actual circulation and to save the abrasion of metals, the loss by handling which would occur in either of the metals. Experience has shown us that gold certificates and silver certificates, notes issued upon gold and silver, are more convenient and more desirable than the original metal; and, while this is true, it saves the abrasion, which is very considerable on such large amounts of coin.

Now, the Senator assumes that his amendment would avoid the purchase of a large amount of silver by the Government. What would be the difference in the effect between the coinage of silver under the amendment last presented by the Senator from Maryland and the previous amendment? Each of them would be for the free coinage of silver. If the coin value was rendered greater than the present market value in the one case it would surely be rendered greater than the market value in the other case. So I do not see that the Senator avoids what seems to be the great bugbear with him of the coining of silver and using it as currency, but his amendment would embarrass the circulation of the silver coin if there was no other reason why it should not be adopted.

In reference to the amendment offered by the Senator from Maryland, the clause which authorizes a mint charge on silver imported from other countries is one which if left to myself I should not adopt. There is no danger of getting too much silver here. A good deal has been

said about silver coming to this country. It will only come here when it comes to purchase something else, and when we remember that the silver coin dollar of this country is worth a little more than 3 per cent. more than the equivalent coin in any other country where the relative value of silver and gold is as 15 to 1, we can see that men would not give over 3 per cent. of their coin and sustain the transportation to this country and back for the purpose of disposing of their silver. Men do not do such things as that.

But without the provision I should have no fear at all of more silver coming here than the needs of the country call for, and I should have no fear of any monetary embarrassment growing out of the amount of silver. If, however, others have apprehensions it can not have much influence upon the amount of coinage, for the importation of silver from other countries is very small compared with the exportation of silver from this country to other countries.

Mr. President, in speaking about the transfer of coin, we have heard for the last two or three days about the transfer of money from one country to another, as if it would be picked up and carried from one country to another as a mere business transaction. Sir, if we consider the laws of commerce we understand that money goes from one country to another only when it goes to purchase something. Countries do not change the volume of their currency except as their industries, their enterprises, their business, warrant the change of the volume of currency. If we have more productions to sell than we have to buy we shall receive more money than we give. If we have to buy more than we sell we shall have to give more money than we receive. That is a law of trade which is universal, I think, in its application, and that is the way in which money is transferred. I do not see what the alarm is about the transfer of the gold from this country to another country or the transfer of silver from other countries to this country. The metals will obey the laws of trade.

Mr. President, two great objects are in view here. One is that we shall restore silver coinage as it was heretofore; that we shall make it money and no longer make it a commodity to be valued by the metal gold. In restoring the coinage of silver we propose to facilitate its issue by authorizing notes to be issued based upon the silver and redeemable by the coin in the Treasury. That will augment the amount of our circulation to some extent, and what is more, when we make silver money a unit of value, make it along with gold to measure the value of production, its use in commerce will become much more important to the country. Its aid in steadying trade and prices will be much greater than to leave it a commodity, to be valued by gold and to be increased or decreased in value by speculation as other commodities are.

Whenever we make it money there is no longer room for speculating upon it. It then becomes a measure for exchanges, a measure for values of all kinds. It was suggested in answer to the question of the Senator from Louisiana [Mr. EVSTIS] that the amount would be a large increase. If it made no actual nominal increase in money there would be an increase in its use by its being made money instead of a commodity to be speculated in.

Mr. VEST. Mr. President, I want to reply to a remark made by the Senator from Rhode Island [Mr. ALDRICH]. The Senator from Ohio upon yesterday was compelled to state that "we were not children," referring to that side of the Chamber, and he said that as for himself he had passed the age of infancy. Now, I desire to make the same very self-evident observation as to Senators upon this side of the Chamber. We are not children; we have passed the age of infancy; and we know exactly the object of the Senator from Rhode Island, and we know exactly the object of the Senator from Ohio in the gratuitous advice which he gave yesterday to Democratic Senators. All these taunts about leadership are simply "leather and prunello," the old trick of a debater who is destitute of argument and resorts to personal allusions.

The Democratic party has no leaders; it has representatives; and when any man ceases to represent the principles of the Democratic party then his so-called leadership ceases to exist. I am for the free coinage of silver and I am following nobody. I am speaking for myself, arrogating no leadership, but endeavoring to represent my own people and my own opinion. In 1881 I offered a resolution here when I had been scarcely eighteen months in the Senate for the free coinage of silver. The Senator from Iowa [Mr. ALLISON] moved to refer it to the Committee on Finance, which he knew was the tomb of the Capulets for any silver proposition at that time. Twenty-one Democrats voted against that proposition and twenty-two Senators, three of them being Democrats, voted for it. The resolution was defeated by one vote, and I repeat that out of the twenty-two votes against that resolution nineteen were Republicans and three were Democrats.

Now, I wish to notice a statement which was made in this debate, I think by the Senator from Ohio. I looked in the RECORD this morning, but his remarks were kept back for revision, and I looked then for the speech of the Senator from Rhode Island, and found the same statement in the RECORD; but to show how little regard is paid to the record in this Chamber in debate, both of them, I think, stated that never during Cleveland's Administration was any attempt made by the Democratic party to secure free coinage.

I have sent to the document room and have a bill here offered by

my colleague in the House, Mr. BLAND, in 1886, for the free coinage of silver, and when it came into the House of Representatives under an adverse report made by the Ways and Means Committee of the House it was beaten by the Republicans.

Mr. HOAR. What year was that?

Mr. VEST. February 15, 1886.

Mr. ALDRICH. Was not that a Democratic House of Representatives?

Mr. VEST. It was a Democratic House, but the vote shows that the Republicans beat it in that body.

Mr. ALDRICH. Certainly, it was a Democratic House.

Mr. VEST. Yes, in 1886 it was a Democratic House. I state here now, and I will send for the vote if the Senator from Rhode Island disputes it, that an overwhelming majority of Republican Representatives voted against free coinage at that time. It is a notorious fact that free-coinage bills have come from two Democratic Houses of Representatives to the Senate and have been defeated here by the Republican party. In the face of this record the Senator from Rhode Island says we have had a new revelation, and a new leader, and are following now the Senator from Nevada.

Mr. President, when the Senator from Ohio and the Senator from Rhode Island become so solicitous about the welfare (I mean honestly solicitous) of the Democratic party, we shall have snow in August and white crows all over this country. We know their object here. The Senator from Rhode Island tells us that he is opposed to silver. Of course he is opposed to silver. I heard the Senator on the McKinley bill.

Mr. ALDRICH. No, I beg the Senator's pardon; I have never said I was opposed to silver.

Mr. VEST. Does the Senator deny that he is opposed to free coinage?

Mr. ALDRICH. Oh, yes; I am opposed to free coinage. That is a different proposition.

Mr. TELLER. I should like to suggest to the Senator that actions speak louder frequently than words.

Mr. ALDRICH. We shall have that decided in a few minutes on this proposition.

Mr. VEST. I shall not waste a minute of my ten minutes on the proposition that the Senator from Rhode Island is the bitter and determined opponent of silver. He believes in gold. He believes, as he did on the McKinley bill, that we ought not to have cheap goods, "for cheap goods make cheap men and cheap men make a cheap country." That was the shibboleth of the Senator from Rhode Island then, and as to his advice when he stood here yesterday, like Fitz James before Roderick Dhu, and defied the Democratic party to combat, we heard that before last November, and let me commend to the Senator, when he exhibits his Biblical knowledge here, another text, and I suppose it is about the only consolation that he can derive from the sacred volume: "Whom the Lord loveth he chasteneth," and, therefore, the Republican party must be very dear to Deity about this time.

Mr. President, take the record of the two parties: is there anything in it to justify the statement that we are following the Senator from Nevada? I said here, and I repeat it, and want no misunderstanding about it: I am not acting in this Chamber to make a market for silver. I do not care whether it goes up or goes down if it is a commercial commodity. I am not here to furnish a market for the produce of the silver mines of the West. I am for more money, money of the Constitution. I am for putting silver upon an equality with gold in order that any man who digs silver from the earth can go to the mints and have it coined free of charge, as to-day the gold-miner does.

I can not vote for the proposition, at this time at least, of the Senator from Maryland. That proposition represents his individual opinion; it does not represent mine. I am not willing to compromise this question, unless I am absolutely compelled to do it at the point of the parliamentary bayonet, at anything less than an absolutely free coinage of silver. I believe that to be the logical and only solution of this question, and I believe that any limitation in this bill upon the proposition for free coinage of silver is illogical. As the Senator from Kansas [Mr. INGALLS] said this morning—and I agree with that portion of his address entirely—if there is any proposition upon which the people of this country have spoken unmistakably it is in regard to the free coinage of silver.

Mr. PLUMB. I ask the Chair to state what is the pending proposition.

The VICE PRESIDENT. The pending proposition is the amendment offered by the Senator from Maryland [Mr. GORMAN].

Mr. PLUMB. I should like to know how that comes to be in order in view of the number of amendments that had been offered preceding it.

The VICE PRESIDENT. It is an amendment to the text.

Mr. COCKRELL. I thought the amendment of the Senator from Rhode Island [Mr. ALDRICH] was in order.

Mr. ALDRICH. What has become of the amendment which I offered?

The VICE PRESIDENT. The amendment of the Senator from Maryland is to the text and takes precedence of that amendment.

Mr. CULLOM. Why so?

Mr. ALDRICH. I should like to have the question stated then in the exact form in which it stands.

Mr. DANIEL. I should like to inquire of the Senator from Rhode Island if his amendment is printed?

Mr. ALDRICH. Yes, sir; it is printed in the statute books of the United States.

The VICE PRESIDENT. The pending amendment is to strike out a part of the text of the original bill and insert what will be read.

The Chief Clerk read the amendment proposed by Mr. GORMAN.

Mr. PLUMB. Mr. President, the discussion of this question develops the same differences that existed last July and that existed in the debate of 1878. On one side are those who represent the credit and the creditors of the United States, speaking from the vantage ground of what they have heretofore gained to maintain their position, entirely willing to vote large additions to the circulating medium if they are only put upon the gold standard in such a way as not to depreciate credit, but also to continue that augmentation which has been the result of the financial policy of the United States for the last seventeen years.

We had invoked yesterday, as we had heretofore, the laborers of the United States and the agriculturists of the United States, and the Senator from Iowa [Mr. ALLISON] capped the climax by invoking the pensioners of the United States. In whose behalf are these forces of the American Republic invoked? In their own favor? By no means. No one who can be said to speak with any authority whatever for the pensioner or for the laborer or for the agriculturist of the United States has said one word against the free coinage of silver. We are asked to believe that those persons who have heretofore condemned the pension list as a list of fraud, who have decried all allowances for pensions made by Congress, and who have characterized the ex-Union soldier as a pauper and as a fraud, now enlist him and the sympathies that naturally cluster around him and his great service in favor of the gold standard.

Are the gentlemen who are so much interested in the value of bonds, and who maintain their argument against free coinage and in favor of the gold standard by citations from the holders of bonds in Germany, interested in the welfare of the laborer? If he is to depend upon them heaven save him, and if the pensioners of the United States are to depend for a continuation of their pensions and the value of them upon those who want the gold standard, then heaven help them also. It is hiding behind a meritorious class of people in order to conceal the essential weakness of the position of those who make this contention.

What is that contention? It is that having surreptitiously and fraudulently obtained the demonetization of silver in 1873, and having thereby augmented the value of all the credits then and since existing in the United States, they now say, "Please do not disturb us in the possession of the property we have thus fraudulently acquired. Having stolen the horse, do you not see that you invoke the aid of a crowbar to break open the stable door to get him back? Do you not see that you have to enlist a magistrate to issue a writ of replevin and to arraign the offender and all that sort of thing? And, my dear sirs, be kind enough now to remember that all these things disturb the community and are liable to disturb values and all that sort of thing; that they threaten property at least."

That is the contention and the sole contention made here, that, having obtained by these processes an advantage over the debtor, an advantage over the laborer, an advantage over the merchant and the manufacturer, and the great mass of the people of the United States, whereby their profits have been augmented, we are asked now not to interfere with what? Not with what they have got; nobody proposes to take that away; but we are asked not to interfere with the further augmentation. The Senator from Ohio said yesterday that the law of 1873 was an outrage, and yet when in 1878 we sought to repeal that and restore the old condition of things he was found, as others have been found since then, to insist on the *status quo* produced by that legislation, which has resulted in great damage and disadvantage to the people of the United States.

Mr. President, all propositions made from that class of people are insincere. The Senator from Rhode Island [Mr. ALDRICH] has made a proposition which he admits he would not himself vote for. I would be perfectly willing to take that if he would only modernize it to the extent of saying that when the gold or silver is presented for coinage the person who presents it may have the option of taking legal-tender notes if he sees fit to do so. I am not frightened at the amendment he proposes, and all the less because he will not vote for it himself, and that inclines me to vote for it.

But, Mr. President, every addition that has been made to the circulating medium, everything that has been done in Congress since this subject was agitated has been in defiance of the class of people whom the Senator from Ohio and the Senator from Vermont and the Senator from Rhode Island represent. The act of 1878 was wrenched from them by force. If it had not been for that act, if they had had their way, the currency of the United States would have been \$370,000,000 less to-day than it now is. It was not they who proposed the legislation of last year which resulted in the act of July 14, 1890. It was taken from

them by the power of the majority and they only acceded to what the majority decreed.

Mr. President, is it not fair to notice that the majority of the Finance Committee, the eminent Senator from Vermont, the Senator from Ohio, the Senator from Rhode Island, the Senator from Iowa, have never in the last fourteen years originated and reported from that committee one single measure of any kind or description for anything to take the place of the retiring national-bank circulation? That committee has never done anything it was not compelled to do. It has been beaten on this floor every time the question has come up, but only to retire to the fortress which it has under the rules of the Senate with a determination never to give the people of the United States anything in the shape of something new to take the place of the circulation that was retiring.

Whatever we have had has been in defiance of that committee. It has sat there sullenly, determinedly, at every stage of the game, and every year of the time while the national-bank circulation was retiring at the rate of fifteen, twenty, and thirty, and even sometimes as high as forty million dollars a year, it has never reported a measure, nor consented to the report of a measure of its own motion for anything designed to take the place of this receding circulation. In other words, that committee as organized and as it has disported itself upon the floor of the Senate has been for contraction. It has so voted by its members individually and it has so voted and acted as a committee. As I said, whatever we have had has been in defiance of them, and whatever we shall get hereafter will be equally in defiance of them.

Admitting, now, as the Senator from Iowa does, that the act of 1873 was an outrage, does he propose to repair it? By no means. He proposes that the people who have got the advantage shall keep it. He proposes that the funded debts of the United States shall increase in value. He does not propose anything to dispossess these people from the position in which they have been placed. The plea which has been made by him and by the Senator from Ohio and the Senator from Rhode Island and the Senator from Vermont is the plea for money and for credit.

I agree, Mr. President, that we ought not to disturb the value of property now existing. I agree that we ought not to depreciate it by legislation; but to say that because a combination of people improperly obtained legislation in their interest and subverted to their uses the Congress of the United States and all its legislative functions we shall now do nothing which disturbs them in the possession of what they have got or the profits which they now possess, is simply to agree that we shall continue the perpetuation of that fraud; and that is the condition with which we are confronted to-day.

No one proposes that we shall do anything which will disturb investments already made or in any way hurt the people who have had credits. On the contrary, they have had enormous profits. They have bonds now which they have made payable in gold coin, and their contention is that we ought to consent to a condition of things which year by year will add to the value of that gold coin in such a way that when ten, fifteen, twenty, thirty, or forty years from now they come to get their pay they may have not only the interest stipulated them, but money that is infinitely more valuable than the money which they paid for their bonds.

Mr. President, against that I want simply to enter my protest. It will not be my fault if this thing is resolved in such a way as to carry this finally into that great forum, the people of the United States at a national election. I am willing to accept any reasonable proposition which may be made which marks an advance, but it is plain to be seen that while anything will be conceded in regard to the volume of the money it is only to be conceded upon the theory that the national banks will issue it. A very wise proposition that is on the part of gentlemen like the Senator from Rhode Island, who represent the locality in which the money is located, where the national banks can get the largest capital, and which will continue the advantage which that section of country now has over the West. Mr. President, I do not want the power of inflation and contraction placed in the hands of the national banks. I do not want to give the national banks the power to add \$200,000,000 to the money or not as they please.

In regard to the question which has been spoken of here somewhat glibly about profits to come to somebody, the Senator from Rhode Island is complacent about the profits made by reason of the resumption act in behalf of the holders of gold.

On the question of a combination between Republicans on this side and Democrats on the other, I say what I believe to be true (and I believe I could prove it if I had a subpoena), that the men on this side of the Chamber who were interested in the passage of a tariff bill did contract in fact with the members on that side to give preference to that bill. I was not a party to that. I did not take much stock in the tariff bill, but I could not shut my eyes to what was going on.

Much as that side of the Chamber appeared to dislike the tariff bill, whatever they may have actually felt about it at the bottom, they said it was an angel of light compared with the election bill, and they yielded to the leadership of—I do not know whether the Senator from Rhode Island in the absence of a beard would like to have himself called a Moses, as he characterized the Senator from Nevada [Mr. STEWART] yesterday, and he is not very patriarchal looking, but he

is very smart. He said that the duty on cotton goods and woolen goods and on carpets and linoleums and glass and things of that kind was a great deal more important last October than the priceless privilege of casting a vote and having that vote counted.

The VICE PRESIDENT. The Senator's time has expired.

Mr. PLUMB. I ask consent to continue for a moment or two longer. ["Go on."]

The VICE PRESIDENT. The Senator from Kansas will proceed in the absence of objection.

Mr. PLUMB. So, Mr. President, it depends on whose ox is gored about this question of political combinations. I know it was charged last summer in leading Republican papers that certain persons on this side, of whom I happen to be one (I suppose that is because of classification), had made some sort of a combination with the gentlemen on the other side, which was not true; while those persons who set in motion information of that kind were the very men who made the combination and who have now got what they combined for, to wit, higher duties.

Now, I am a little bit amused at the virtue of those people who are against this measure because it may give a profit to silver-mine-owners. My view is that if the silver-mine-owner gets a profit he does not charge that to the people of the country. What he gets hurts nobody, however much it may help him. Whether a duty of 30 per cent. more on granite and 30 per cent. more on worsteds is a profit to the manufacturer in Rhode Island or elsewhere, I do not care to say; but what I do say is that the subject of profit to individuals as the result of legislation has had such exemplification in this body and elsewhere that it does not lie in the mouth of anybody, Democrat or Republican, to talk about a proposition to put silver on a basis with gold as one involving profit to individuals.

Now, Mr. President, the merit of this silver proposition to me is just this, and it is the whole of it. I do not expect to swap, so far as I am concerned, the question of the free coinage of silver when it comes to the question of the volume of the circulating medium of the people of the United States, but I do say, if, taking into account the more or less general judgment of the people of the United States, we are to have money based upon the metals, I want it based upon both, because I want as broad a base as possible for business, and I do not want a condition of things in which the poorest and the humblest of the people of the United States and in which the great mass of the people of the United States shall be dependent for the fruits of their labor upon the struggles of a handful of men with whom they have no interest in regard to the volume and in regard to the price of gold. The mass of the people of the United States have no interest in struggles of that kind. They want the opportunity to labor and to get a decent and a fair result of their labor with as much security as possible, and they want to be emancipated as much as possible from the struggles in Wall street and the struggles in London and the struggles in other places where speculation is carried on in money and other products, and which, if they go wrong, as things are, mean the loss of their wages and of their chances for support.

There has been no more conservative thing proposed in this whole financial field in the last fifteen years than the proposition that, instead of having, as has heretofore been suggested, an unlimited issue of Treasury notes, we shall have metal money, and that whatever we may have in the way of an excess shall actually be based upon the metal. The Senator from Iowa tells us how gold left the country at one time and silver at another time, and so on. He overlooks the fact that since that time artificial expedients have been adopted whereby nations hold their gold and their silver for their own uses independent of what might be called the ordinary course of trade. He seems to argue that we are at the mercy of anybody who happens to have a little balance against us that they may demand in gold, and that we have got to adopt a system not such as we want, not such as concerns our own people only, but must concern other people whom we have got to take into account, and he pleads that we shall not do anything until we get Belgium and France and Italy to agree in advance.

Mr. President, that confesses the whole case away. In matters of this kind somebody has got to lead. If the United States is going to follow, then let us say by law, if necessary, that we shall never do anything unless Italy and France and Belgium shall in advance concede that they will do the same thing. That is the position we ought to take. Our ratio is different from theirs. We can coin silver at the value of 16 to 1 as against them, because they have a ratio of 15½ to 1. We can do that ourselves, as I believe, and, whether we can or not as an ultimate thing, for us to confess that we have got to alter all our financial affairs upon their basis is a confession of impotency and weakness which will always be to our disadvantage.

No, Mr. President, we have got hold, we are in a condition to protect ourselves and to say, as we ought to do, on our responsibility as legislators, that the volume of money in the United States, and the base upon which we do our business, shall be so ordered as in our belief to best enhance the interest of our own people, and not take into account the people and the interest of other countries.

But, Mr. President, no one fails to pierce the disguise. All this is done for delay. The Senator from Ohio and other men situated as he

was, acting on what they believed to be the best interests of the country, brought about a gold standard. They want to maintain it, and the Senator sees in the men with fixed capital men who are to be preferred against the men who have got all they have in the shape of debts, and so on; so he argues that unless we do what those people want us to do we shall never have any money. He then takes into account the holder of an American railroad bond in Germany and reads a letter which he wrote as authority upon this question, and says in substance if we do not do what this man over there wants we shall never get any more money.

Mr. President, the Senator from Ohio knows better than that. It is a desperate expedient which he resorts to. It is his determination by all hazards, by exciting fears which he does not believe in and by getting up a scare of a panic, to prevent us from legislating for the American people in accordance with their deliberate opinion as expressed time and time again.

Mr. President, there never ought to be an issue between the creditors and debtors of this country. There never will be if we do not teach the debtors that they are in a majority and consequently have the power; and the only way that we shall ever teach them that is by exalting the value of credits above the value of humanity, above the value of bone and brawn and muscle, above the value of business and the ability to make support.

Mr. STEWART. And above the value of liberty.

Mr. PLUMB. And, as the Senator from Nevada prompts me, above the value of liberty. It is an issue that ought not to be invited. The American people believe in paying their debts. They are the best debt-payers in the world. This is the only country where Germans and English can invest capital with freedom and with the certainty of a fair return, because they know that the sense of commercial honor of the American people is higher than it is anywhere else. But, Mr. President, if we are to tie our whole fortunes to the demands of these people, to give to the minority control over the majority, and to say as to the volume of money and to its character that nothing shall be done unless it is first submitted to the judgment and the opinion of a handful of men who own the credits, the fixed capital of the country, we might as well adjourn.

Just put up a bell button in the Senate Chamber and say to the holder of a Government bond or a railroad bond, "When you want anything done, ring the bell; the representatives of States and of peoples, of great enterprises and of all the things that constitute the hope of the American Republic are to be held in abeyance and spoken of with bated breath until the men who are fortunate enough to have some of the fixed capital of this country in possession are heard from."

Mr. President, the speeches of the Senator from Ohio [Mr. SHERMAN], the Senator from Rhode Island [Mr. ALDRICH], and the Senator from Iowa [Mr. ALLISON] tender an issue which I hesitate to accept, because I should sincerely hope that on reflection they would withdraw it; but if they insist that it shall be accepted, if they make it, it can only be accepted, and the result of the issue, whatever it may be here, when it comes to be fought out in another forum, can not be doubted. I hope it may never come, and that instead of that we may have conference and comparison of judgment and due regard for the interests of all the people, a recognition of the wickedness by which we departed from the bimetallic standard in 1873. It is too serious a subject to be joked about in the way the Senator from Rhode Island does. He is keen at words, he is a rapier in speech; but, Mr. President, it is not that which settles issues among the American people. This issue is to be settled by the cool, calm, deliberate judgment of the people who look at things from their own standpoint of interest. The Senator from Rhode Island having got through here, by his wisdom and by his combination with the Democrats, a bill which helps his people to greater profits, must not think that the function of legislation in behalf of the people has been completed.

Mr. EUSTIS. Mr. President, I understood the Senator from Nevada [Mr. STEWART] to say that he was in favor of the amendment offered by the Senator from Maryland [Mr. GORMAN]. I regret that a compromise seems to have been made with the silver men on the other side of the Chamber. I come from a State where there is a good deal of conservatism with reference to the financial question. There are a great many banks in Louisiana, and the people who raise crops are dependent upon the prosperity and the soundness of those banks. I have been, and am now, in favor of the free and unlimited coinage of silver, in the first place, because it will increase the volume of our currency, and, in the next place, the basis of the currency itself will be perfectly sound.

At the last session of Congress we made a compromise, that is, it was made upon this question, and the result has been that it has produced universal dissatisfaction and distrust, and now we are attempting to correct any financial mistake that we have made, and to offer to the American people something in response to what they demand.

I myself have not been deterred by the arguments which have been made against the bill for the free coinage of silver. I do not believe that any gold will be hoarded. I know, I may say, that no gold will be exported, and I also know, notwithstanding the argument made by the Senator from Ohio, that free and unlimited coinage will not

possibly disturb our exchanges with any foreign country. If we open our mints to free and unlimited coinage, my own estimate is that it will take at least several years to coin silver dollars to an amount which will equal the number of gold dollars which we have in this country. The proposition which has been stated by the Senator from Ohio is most startling—that where a country has an equal number of gold dollars with silver dollars, and *vice versa*, any one in the United States under these conditions can have any interest whatever in hoarding his gold.

The objection which I have to this amendment is that it is still a discrimination against the free coinage of silver. It is still a blow at silver. The Senator from Nevada [Mr. STEWART], in answer to my question, stated that if this amendment were adopted it would only add \$20,000,000 of silver currency to the country annually, and I asked him if he did not consider that a very insignificant amount, and he stated frankly that he did. I asked him as a silver Senator, a silver-tongued orator, a silver-haired Senator, how does it happen that he accepts the amendment? Is it because the Senator fears an Executive veto?

Mr. STEWART. I will answer if the Senator desires.

Mr. EUSTIS. I should like to have it answered.

Mr. STEWART. I, of course, do not like it as well as the original proposition, but I will accept it, provided it meets the general acceptance of the silver men. If not, I hope it will be withdrawn. The limitation in the amendment I do not like. I think it is unnecessary and I am opposed to it, but I will submit to it as the next best thing, if that is the judgment of those who favor silver; otherwise I hope it will be withdrawn.

Mr. EUSTIS. My own judgment is that we can safely add to our silver currency not \$20,000,000 a year, but \$100,000,000 a year, and that will take years to accomplish. Where are we going to get silver from? Under this amendment you propose only to coin American silver. That is what it means. You propose to impose a high duty, a high tariff upon foreign silver. You propose to prohibit the importation of foreign silver, and I say, either upon the silver basis or upon the tariff question, I, as a Democratic Senator, can not support such a measure as this.

I am in favor of the free and unlimited coinage of silver because I believe we ought to add hundreds of millions of dollars to our silver currency. It is but an act of justice to the American people. As to its creating any financial panic or disturbance, I believe that that is all a piece of imagination and a false prophecy. This country, with its six hundred millions of gold dollars can very well afford to have seven or eight hundred millions of silver without affecting the value of gold or preventing its being in circulation, and after all the efforts which we have made at the last session and at this session are we to tell the American people that this is the culmination of our labors, that we dare not or that we have not the courage for some mysterious reason to give free and unlimited coinage, to which we have pledged ourselves and which we know is right and just and proper legislation? I say it will indeed be a surprise to the country when it is discovered that all our efforts have resulted in what? In a measure which will excite the laughter and scorn of our opponents and the indignation and disgust of our friends.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Maryland [Mr. GORMAN].

Mr. HOAR and Mr. SHERMAN called for the yeas and nays; and they were ordered.

Mr. CALL. Mr. President, I shall not vote for this amendment. If the propositions upon which free coinage is to be adopted are true, then it is untrue that there should be any limitation imposed upon it. These two propositions are entirely inconsistent, and the proposition contained in the amendment now offered by the Senator from Maryland [Mr. GORMAN], which was originally introduced by the Senator from Nevada, is as much a denial of the principle of free coinage as was the bill which provided for the purchase of silver. We are legislating upon principle, upon a theory that the two metals are the necessary basis of currency throughout the world. If that is not true, this bill is entirely wrong so far as it proposes to substitute a coin basis for the system reported by the Committee on Finance.

There can be no reconciliation of these two propositions. If a limitation is to be placed upon the coinage of silver, then free coinage is impossible and wrong. There is no compromise of these propositions, and if we on this side who believe that the great appreciation of one of the metals because of legislation has been a hardship and an oppression to the great mass of the poor people of this country, bringing poverty into every home and accumulating vast and princely fortunes in the hands of a few, then it is impossible for us to depart from the proposition of the absolutely free coinage of silver as the basis of the currency of this country.

Mr. GORMAN. Mr. President, I have no desire to embarrass the Senator in charge of the bill, and knowing that, under the rules of the Senate, I can present this amendment later on, I shall for the moment withdraw my amendment.

Mr. ALDRICH. Can that be done after the yeas and nays have been ordered?

The VICE PRESIDENT. The Chair is opinion that it can not be done, except by unanimous consent.

Mr. GORMAN. As a matter of course I suppose no Senator will object to my withdrawing the amendment.

Mr. ALDRICH. I should like to make a few remarks on the amendment before it is withdrawn.

Mr. GORMAN. Of course I have no objection to that.

Mr. ALDRICH. I should have proceeded upon the theory that this amendment was satisfactory to the representatives of silver on both sides of the Chamber. If I am to understand now that that is not the attitude of the friends of silver upon either side of the Chamber, I do not know that I have any remarks to make, and I think perhaps it would be useless for me to do so. If the amendment is voted down or withdrawn by general consent, I see no reason for taking up the time of the Senate in pointing out its defects.

The VICE PRESIDENT. Is there objection to the withdrawal of the amendment?

Mr. COCKRELL. Does the Senator from Rhode Island withdraw his objection?

Mr. ALDRICH. I do.

The VICE PRESIDENT. Is the Chair to understand, then, that there is no objection made to the withdrawal by the Senator from Maryland of the amendment he proposed? ["No objection."] The Chair so understands, and the amendment is withdrawn.

Mr. TELLER. The proposition having been withdrawn, I suppose I may speak on the other amendment just as well.

The proposition now withdrawn has been the favorite stock in trade of the Senators from that section of the country who do not believe in free coinage. We have been told repeatedly by Senators and in the public press from that section of the country that if we would confine our efforts to secure free coinage to American silver they would be entirely content.

Mr. ALDRICH. I should be glad if the Senator would be a little more specific.

Mr. TELLER. I do not speak of the Senator from Rhode Island. I do not know what his views are upon the subject.

We have been told repeatedly in the last few days in some of the papers of the country, and we have been substantially told in the debate here, that we really will accomplish everything when we have bought all the American silver, which we can do under the act of July 14, 1890. I do not believe if the amendment had been pressed there is a single Senator who is opposed to the free coinage of silver who would have voted for it. It shows, in my judgment, the hollow pretense which has been made from time to time outside of this Chamber—to apply such language here I believe would not be strictly parliamentary—the hollow pretense made outside of this Chamber, at least, by people who are in favor, as they say, of silver and of its use as money, to take every occasion possible to disgrace and degrade it and prevent it from having its full money functions.

The Senator from Ohio [Mr. SHERMAN] has repeated a great many times in this debate that he is in favor of the use of silver as money. He has asserted, if not in this debate, in a former debate, that he was as much in favor of it as any of the Senators from the silver States, and yet he has never lifted his hand at any time in favor of the remonetization of silver. Every official utterance of his while he was Secretary of the Treasury was against silver, and every official utterance he has made on this floor has been against silver, except the bare statement that he was in favor of it. Every proposition he has submitted here has been against silver, and he has opposed very ably every proposition made to remonetize silver.

It can not be said in this country that we have actually remonetized silver because we coin it, for we coin it not fully, but we coin it in a way that keeps it down and keeps down its price and denies it equality with gold. I know the whole world has been doing that since 1874 and 1876, and, notwithstanding that, silver has continued to be used as money by some considerable portion of the world in some way, if not as it was used before.

Yesterday the Senator from Ohio took great pains to show that France was not a silver country. He has no right to say that any one on our side of the question had ever said that France was a silver country. France is a bimetallic country. It is not a silver country. Germany was a silver country before she demonetized silver. France has not been a silver country at any time in its history that I know of.

The relation between gold and silver was fixed in France hundreds of years ago, as it was in Great Britain—six hundred years ago and more. It has been fixed from time to time in these different countries, not in France by the orders of 1803, as the Senator said, but years before that. In 1779 France fixed the ratio between gold and silver by governmental decree, and fixed that ratio at 1 to 14½. The same year Spain fixed the ratio at 1 to 16. In those days the ratio was different in almost every country, and yet there was no considerable difficulty in maintaining that ratio at that time. Later there was a general attempt to get the ratio the same everywhere.

The Senator went into some examination as to why we had the ratio of 15 to 1 in 1793, when we first dealt with this subject. That was practically, and had been for some time, the ratio of Europe. In 1785,

when France changed the ratio from 14½ to 1 to 15½ to 1, the market ratio in the markets of France being 1 to 15.22, they by legislation immediately established that ratio different from the market ratio.

Mr. President, we changed our ratio; we changed it twice, as the Senator says, but that does not argue anything against silver. It does not indicate that silver was not just as stable as gold. After the great excitement occasioned by the production of gold, nearly all the world abandoned gold and went to silver. I have here a statement which I have taken the pains to verify.

Holland demonetized gold in 1850. Portugal prohibited gold from having current value, except the English sovereigns. Belgium demonetized gold in circulation. Russia prohibited the export of silver, and France even went to the extent of appointing a commission to see what she should do with it, whether she would abolish gold, and at that time Germany adopted the silver standard and abandoned gold.

The Senator tells us that gold is the stable money. The Bank of The Netherlands advised the government to abandon gold, because they stated that silver was the stable money, and not gold. Locke, in his Essay on Money, declared that the history of finance showed that silver was the stable money, and not gold, and silver remained the stable money all over the world until the attack made upon it in 1873. It had not changed. It was then, as has been repeatedly stated here, higher than gold, and there was less fluctuation in silver than there was in gold.

The Senator from Missouri [Mr. COCKRELL] calls my attention to the following:

Yet, so recently as 1838, such eminent national economists as Michel Chevalier and Cobden recommended the adoption of exactly the opposite course in the policy of coinage, namely, demonetization of gold.

It was the intention of the moneyed people at that time to demonetize gold, and they then said that gold was not the stable money metal of the country, but silver was. When they found later that silver was being produced to an extent that gold was not, they made up their minds that they had better demonetize silver, and then they asserted that silver was not the stable money, but not until after they had made their attack upon it by legislation, until they had denied it access to the mints of the world, could they take it out of the character of a stable money metal.

The Senator from Ohio and the Senator from Rhode Island with great unison say: "France does not coin any silver." Last year there was coined in the world \$135,000,000. Of that only \$8,000,000 was recoinage, there being \$127,000,000 of new coinage, and every single ounce of silver that was produced was either put into new money or went into the arts.

The VICE PRESIDENT. The Senator's time has expired.

Mr. INGALLS. Mr. President, I wish to ask the parliamentary state of the amendment intended to be proposed by the Senator from Nevada [Mr. STEWART].

The VICE PRESIDENT. The pending amendment is one offered to that amendment, an amendment in the second degree, offered by the Senator from Rhode Island [Mr. ALDRICH].

Mr. INGALLS. That has been withdrawn, I understand.

Mr. COCKRELL. Is the amendment of the Senator from Rhode Island pending now?

Mr. INGALLS. What is the pending question, Mr. President?

The VICE PRESIDENT. The pending question is the amendment offered by the Senator from Rhode Island [Mr. ALDRICH] to the amendment of the Senator from Nevada [Mr. STEWART].

Mr. INGALLS. May that be again reported?

The VICE PRESIDENT. The amendment will be again reported.

The CHIEF CLERK. After the first word "That," in the amendment proposed by the Senator from Nevada [Mr. STEWART], it is proposed to insert the following:

Gold and silver bullion brought to the mint for coinage shall be received and coined, by the proper officers, into standard gold or silver coin for the benefit of the depositor: *Provided*, That it shall be lawful to refuse, at the mint, any deposit of less value than \$100 and any bullion so base as to be unsuitable for the operations of the mint: *And provided also*, That when gold and silver are combined if either of these metals be in such small proportion that it can not be separated advantageously, no allowance shall be made to the depositor for the value of such metal, but in all cases whether the gold and silver deposited be coined or cast into bars or ingots, there shall be a charge to the depositor, in addition to the charge now made for refining or parting the metals, of one-half of 1 per cent; the money arising from this charge of one-half per cent, shall be charged to the treasurer of the mint, and from time to time on warrant of the Director of the Mint shall be transferred into the Treasury of the United States: *Provided, however*, That nothing contained in this section shall be considered as applying to the half-dollar, the quarter-dollar, the dime, and half-dime.

Mr. STEWART. Is that amendment open to further amendment?

The VICE PRESIDENT. It is not. The amendment is in the second degree.

Mr. INGALLS. To what amendment is this proposed as an amendment?

The VICE PRESIDENT. It is an amendment to the amendment offered by the Senator from Nevada [Mr. STEWART].

Mr. INGALLS. I understood that amendment had been withdrawn.

The VICE PRESIDENT. The amendment withdrawn was that offered by the Senator from Maryland [Mr. GORMAN].

Mr. STEWART. This is in the same condition as the amendment which has been already ruled on. The motion of the Senator from Rhode Island is to strike out and insert; and, that being the case, it is still an original proposition which can be amended. I suppose, if that be the case, that I can perfect my proposition before it is voted upon, and I offer to perfect it by what I send to the desk under the rule.

Mr. ALDRICH. I suggest that that course can not be followed. If it could you might continue indefinitely to offer amendments and we might have forty or fifty amendments pending at the same time. This is an amendment to an amendment, and is therefore an amendment in the second degree and can not be amended.

Mr. HARRIS. Is it in the nature of an amendment to strike out and insert?

Mr. STEWART. That was the condition we were in when the amendment of the Senator from Rhode Island was offered. It was an amendment to an amendment, and I objected to it. The Chair ruled that the motion to strike out and insert was not an amendment in the second degree and should be treated as an original proposition. Instead of amending my amendment the Senator makes a motion to strike out and insert, precisely as I did with the committee amendment. If the ruling of the Chair was right in the first place—and I do not think it was—certainly I am now in order.

Mr. ALDRICH. For the purpose of saving any embarrassment which may happen to the Senator from Nevada or anybody else in connection with this matter, I withdraw the amendment.

The VICE PRESIDENT. The amendment to the amendment is withdrawn.

Mr. STEWART. I modify my amendment by inserting the word "provided" in place of the word "and," in line 13, on page 2.

The VICE PRESIDENT. The amendment will be so modified.

Mr. COCKRELL. What is the modification, Mr. President?

The VICE PRESIDENT. The modification will be stated.

The CHIEF CLERK. In line 13 of the amendment, on page 2, it is proposed to strike out "and" and insert "provided;" so as to read:

Provided, All such Treasury notes issued under the provisions of this act shall be a legal tender, etc.

Mr. MORRILL. Mr. President, I desire to call the attention of the Senate for a single moment to the existing law passed at the last session of Congress, by which we were to take 54,000,000 ounces of silver in the course of the year and to issue therefor Treasury notes to the amount of their coin value. The present proposition is for the United States to take all of the silver we shall be offered, not only of the United States, but from elsewhere. If it was to be confined to the United States production it would not be more, as claimed by the Senators from Nevada and Colorado, than the amount of the American production.

For this we are to issue Treasury notes. So that in either case we are to take all the silver that is produced in our own country and issue Treasury notes for it. The chief difference between the two propositions is that in the former case, under the law of last session, we are to buy the silver at the market value; and under the proposition for free coinage we are to pay its mint value; that is to say, the owners of the silver bullion will receive the difference between its commercial value and its mint value. I do not myself see how this is to better the condition of the currency or to better the condition of the general public.

Mr. COCKRELL. I should like to ask now which one of the amendments offered by the Senator from Nevada [Mr. STEWART] is pending.

Mr. STEWART. The amendment of January 8, only modified by inserting the word "provided" in the place of the word "and" in line 13, on page 2.

The VICE PRESIDENT. It is the amendment which was ordered to be reprinted January 8, 1891.

Mr. STEWART. I wish to make an explanation, as some one has asked what was the meaning of the proviso inserted. It is inserted to prevent the inviting of gold contracts. I have looked at the legal tenders, the greenbacks, as they are called, and I find printed upon each that they are a legal tender with a long list of exceptions, and upon the notes issued under the recent law I find they have printed upon them that they are a legal tender with exceptions, "except where otherwise provided by contract." I want a legal tender pure and simple. Consequently I have to repeat those words and put them in the form of a proviso. After having described the legal functions, the proviso will make the notes issued under this proposed law, if any should be issued, a legal tender simply.

Mr. ALDRICH. Will the Senator from Nevada allow me to ask him a question?

Mr. STEWART. Yes.

Mr. ALDRICH. If this amendment should be adopted, would it take away from the people the common-law right which they now have of making contracts payable in gold?

Mr. STEWART. It would take away no right they now have.

Mr. ALDRICH. Is it the intention of the Senator to take that right away?

Mr. STEWART. I should be glad to take it away, but I do not think we can take away the common-law right. I do not wish, how-

ever, on every piece of paper we put out, to make a suggestion to parties to combine in order to depreciate the currency. I do not want to put out any limping currency. If it is a legal tender I want it a simple legal tender.

Mr. ALDRICH. The act of July 14, 1890, provides that notes issued in accordance with that act shall be legal tender unless otherwise specified in the contract. Will this proviso change the law in any regard?

Mr. STEWART. It changes no law. It simply provides that the paper issued in pursuance of this act shall be a legal tender and leaves the common-law rights the same as they exist in regard to gold as a legal tender.

Mr. ALDRICH. Silver coin is a legal tender only in cases where not otherwise specified in the contract.

Mr. STEWART. I know.

Mr. ALDRICH. It is apparently the purpose of the Senator from Nevada to make these notes better than silver coin.

Mr. ALLISON. I should like to inquire of the Senator from Nevada if it is his purpose by this amendment to make payable in the notes here provided for a debt which was contracted for in gold or silver?

Mr. STEWART. I propose to leave those who have made contracts to enforce them according to law.

Mr. ALLISON. I know; but there was a distinction last year, and I notice that the Bland bill, which came from the other House in 1878, provided that the coins and certificates, etc., should be a legal tender, except where otherwise expressly provided by the contract.

Mr. STEWART. I am aware of that.

Mr. ALLISON. I am not discussing whether that is wise or otherwise. I want to know from the Senator whether it is his object to make these notes pay debts which may be contracted for hereafter or which have hitherto been contracted, in a specific amount of either gold or silver.

Mr. STEWART. Shall I answer?

Mr. ALLISON. Certainly. I asked the question for an answer.

Mr. STEWART. It is true that in our legislation, more or less, phrases have recently crept in for the purpose of discrediting the currency. I am aware that nearly every financial bill is so arranged that the dealers in money can obtain some advantage. The gold coin and the silver coin of the country, prior to these new devices to depreciate the currency, were legal tender for their nominal amount for all debts, public and private. Gold is a legal tender for all debts, public and private.

I do not propose to interfere with contracts. I understand that some of the courts of the country have held, and perhaps all of them would hold, that private contracts of any kind may be made. I think the Supreme Court has so held. I do object, however, to an invitation, an advertisement, that this money or any other money that is put out is not a full legal tender. Much harm has been done in this country by putting out money that was not legal tender in the payment of debts. If people make contracts voluntarily, I do not propose to interfere with them. I would leave them to the common law. But I propose to go back to original principles and make what money we put out a complete legal tender, and not have on the face of the bills we are circulating advertisements to the people to make usurious or unjust contracts.

Mr. REAGAN. Will the Senator allow me a moment?

Mr. STEWART. Certainly.

Mr. REAGAN. In reference to the question propounded by the Senator from Iowa [Mr. ALLISON] I wish to say that my understanding of the language of this amendment is that it intends to make these notes a legal tender for all debts, public and private. That is my purpose as far as I am concerned. I want this Government to say what shall be legal tender, and not leave it to private individuals to say, by contract or otherwise, what shall be legal tender. I want the Government to stipulate what shall be legal tender and make it legal tender; so that the money of this country, which the Government has declared to be a legal tender, shall not be speculated in and shall not be discriminated against by private contracts.

Mr. ALLISON. I have been told (and I think the Senator from Ohio stated it the other day) that a large number of contracts have been made and bonds, etc., have been issued by railroad companies, payable in gold coin.

Mr. SHERMAN. I think the great body of the contracts made lately, especially by large corporations, where the amounts extend sometimes into the hundreds of millions, are now made payable in gold coin.

Mr. CULLOM. The Senator refers to contracts between individuals?

Mr. SHERMAN. Between individuals.

Mr. ALLISON. What I desire to ask the Senator from Texas is whether or not it is his intent and purpose in voting for this amendment to make contracts payable in the notes which are here proposed.

Mr. REAGAN. I do not know whether we can do that or not; but it is my purpose, if it can be done, to do that very thing.

Mr. ALLISON. That is what I supposed.

Mr. REAGAN. And, if that can be done by that amendment, that is the purpose of it so far as I am concerned.

Mr. GRAY. Will the Senator from Texas allow me to call his attention to the phraseology of this amendment? It merely provides that the silver coin and the silver certificates issued, based upon silver coin or silver bullion, shall be legal tender for all debts, public and private. That will not accomplish his purpose, if that be his purpose, to prevent and restrict the liberty of contract in all its fullness and amplitude as it has hitherto existed in the United States. That will not be sufficient hereafter, notwithstanding that provision, which is merely a provision stating that certain coins and certain representatives of them shall be legal tender, to restrain the Senator from Texas from contracting with me that I shall pay him at a certain time a given quantity of gold or of silver, as the case may be.

Mr. REAGAN. I do not understand, as the Senator from Delaware does, that it is not competent for Congress to determine what shall be a lawful tender. I do not understand that private citizens can repeal the law or change or modify the law by a special contract if the money is a legal tender and is so declared by law.

Mr. HARRIS. If the Senator will allow me, I desire to ask him this question: While anything that is made a legal tender may be used in the payment of any debt where the promise to pay is in dollars, I ask him if a special contract to pay in gold dollars or silver dollars or United States notes does not stand upon precisely the same footing that a contract to pay in cotton or in wheat or in corn would stand? Does the simple fact that Congress has declared a given thing to be a legal tender in the payment of all debts not apply strictly to debts made payable in dollars and not in any other specific thing?

Mr. REAGAN. Mr. President, I have not examined the subject to see just how far we can go. I know that there has been a habit under existing law of contracting for payment in particular kinds of money. I do not know that the words embraced in this proposed statute will do what I would do, but I desire to see them do all that they will do in that respect. I do not desire to leave the matter in such a shape as to allow the men who have plundered the country through its legislation for the last quarter of a century to continue to do it under this law any further by fixing a standard for payment other than the standard fixed by law.

As to existing contracts, that may be a question for the courts to determine. I am not proposing to undertake *ex nomine* to embrace existing contracts, but my wish is to see this provision pass in the form it is so as to make these notes legal tender.

I suggest to the Senator from Nevada, while I am up and on this subject, that there is a defect in the proviso put at the end of the amendment which makes Treasury notes a legal tender, but not the coin. It should say "the Treasury notes or the coin provided for in this act."

Mr. HOAR. Mr. President, I think the attention of the Senate ought to be called to the fact that the Constitution does not in terms confer upon Congress power to establish legal tender as such or to make legal tender as such. On the contrary, it leaves that power impliedly and almost expressly to the States by saying that the States shall make nothing but gold and silver a legal tender, implying, therefore, that a State may make a legal tender as it chooses of gold or silver. I suppose it would be entirely competent for any State in this Union to make silver a legal tender or gold a legal tender.

Mr. REAGAN. If the Senator will allow me—

Mr. HOAR. Let me finish the statement and then I will allow the Senator.

Congress is authorized to coin money and regulate the value thereof; and, therefore, when any obligation is to be discharged in money as such, then the right of Congress to determine the value is undisputed. If an obligation is to be discharged in money and we choose to make the dollar 200 grains of silver or any other amount, that we can do, but we can not take away the power of the citizen to agree to pay a certain number of bushels of wheat in the discharge of an obligation or a certain number of gold dollars, and we can not take away the power of the State to declare that gold dollars of a certain value or silver dollars shall be legal tender. That is the constitutional distinction.

Mr. STEWART. The Supreme Court has decided otherwise.

Mr. REAGAN. Mr. President—

THE VICE PRESIDENT. The Senator from Texas has already spoken ten minutes.

Mr. REAGAN. I believe I was taken from the floor by the Senator from Massachusetts [Mr. HOAR].

Mr. ALLISON. I have not spoken on the pending question. I will take the floor on this amendment and yield to the Senator from Texas to explain in detail, if he will, just what he proposes by this amendment.

I understand his answer to my former question to be that his purpose is to make all debts payable in these notes, whether they have been contracted hitherto or not and whether payable in gold or silver, in pounds or dollars, and he also proposes to prohibit contracts in future being made specific in any particular coin that can not be met by the tender of these notes.

Mr. REAGAN. Mr. President, all I propose to do—

Mr. HOAR. I must object to the Senator from Iowa yielding. I understand that is not in accordance with the rule.

Mr. ALLISON. Then I can not do it.

Mr. CULLOM. I hope the Senator from Texas will be allowed to conclude his remarks.

Mr. REAGAN. What I propose to do is to make the notes issued under this act and the coin to be coined under it a legal tender and leave the balance to the courts and the country. I did argue that if I had the power I would prevent private contracts from making any special thing a legal tender, but when a debt was payable in dollars it could be paid in the legal tender provided by law. That is an individual opinion of mine which does not affect the question here. I favor this plan because I want these dollars, these notes, to be a legal tender.

In reference to what was said by the Senator from Massachusetts [Mr. HOAR] about the Government not being able to prescribe what should be a legal tender I merely wish to say that the Government did prescribe as to the public debt, that is, the bonds of the United States should be paid in lawful money. Lawful money then was gold coin, silver coin, and the legal-tender notes. The Government did prescribe afterwards that these bonds should be paid in coin alone. The Government did prescribe that the interest on the debt should be payable in coin. Now, whether the Senator calls that making a legal tender or not, it is fixing the kind of currency in which debts should be paid.

Mr. STEWART. At the suggestion of the Senator from Texas [Mr. REAGAN] that the word "coin" is not in the proviso, I wish to say that it was intended to cover that point, but inasmuch as there is a provision in the act that the silver dollar should be a legal tender where not otherwise provided by law, in order to make it conform, I still further modify the amendment by inserting after the word "notes," in line 13, the words "and coin," so as to read:

Provided, All such Treasury notes and coin issued under the provisions of this act, etc.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to modify the amendment in line 13, so as to read:

Provided, All such Treasury notes and coin issued under the provisions of this act shall be a legal tender, etc.

Mr. DANIEL. Mr. President—

The VICE PRESIDENT. That modification will be made.

Mr. SHERMAN. I desire to submit an amendment.

Mr. DANIEL. Mr. President—

The VICE PRESIDENT. The Chair had recognized the Senator from Ohio.

Mr. DANIEL. I wanted to speak to that amendment.

Mr. SHERMAN. I will withhold my amendment for a moment.

Mr. DANIEL. The amendment was declared carried while I was on my feet.

The VICE PRESIDENT. The modification was proposed by the gentleman from Texas [Mr. REAGAN], and accepted by the Senator from Nevada [Mr. STEWART], to insert the words "and coin" in the amendment of the Senator from Nevada.

Mr. DANIEL. I yield to the Senator from Ohio [Mr. SHERMAN].

Mr. SHERMAN. I wish to offer an amendment, after the words "public and private" to insert the words which have always been used in these laws, "except where otherwise expressly stipulated in the contract." I wish to say a word about the amendment when it is reported.

Mr. STEWART. Is that amendment in order now?

The VICE PRESIDENT. The amendment is in order.

The CHIEF CLERK. In line 15, after the word "private," it is proposed to insert:

Except where otherwise expressly stipulated in the contract.

So as to read:

Provided, All such Treasury notes and coin issued under the provisions of this act shall be a legal tender for their nominal amount in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued in the same manner and to the same extent as other Treasury notes.

Mr. SHERMAN. I will say, in regard to the amendment, that this is the language of the law of last session, the language of the Bland-Allison act, and, I believe, the language of every legal-tender act contained in the statutes of the United States so far as I know, although I have not looked except at the two of which I speak.

In view of the statements made here in the Senate it is a very grave question to Senators who will vote for this proposition, as I shall not, whether or not they intend to depart from the established usages and customs of the country in regard to legal tender; whether they will deprive the people of the United States, in other words, of the common-law right to make and unmake their contracts; whether they shall be deprived of the privilege of stipulating for the payment in wheat, corn, gold, or silver, copper, or anything else. That is the question. I hope, therefore, the Senators who are going to vote for this proposition will consider it in that light.

There is one other view I take of it. The reason why these words have always been inserted, as I understand—though I do not profess to have examined all the precedents or decisions of the Supreme Court—is this: While the Constitution of the United States makes it very clear that no State can violate a contract or permit the violation of a con-

tract or pass any law which authorizes the violation of a contract, yet the power of the United States is not so limited by the Constitution of the United States. There have been several decisions made by the Supreme Court of the United States in regard to it that I am not now quite familiar with, but I am strongly inclined to the opinion that, according to those decisions, Congress might, in certain cases at least, make provisions which would violate the obligation of contracts. Certainly we do not wish to do it in this case. I think, therefore, the words I have indicated ought to be specifically used; otherwise these Treasury notes would be of an entirely different character from any of those now outstanding.

Mr. STEWART. It is not in the power of Congress to prevent the people from making ordinary contracts. If they want to make contracts for a given weight of gold or a given weight of silver or of any commodity, that they can do, and the Supreme Court has so held.

Mr. SHERMAN. Why not insert it, then?

Mr. STEWART. It is not necessary to put all the common law into this bill. This is a bill for the free coinage of silver and not one to re-enact the common law. That is the distinction. To put in a portion of the common law that does not belong in it, would lead to a precedent that might be very troublesome. There is no such reservation as to gold, and therefore if this is put in it will tend to dishonor silver.

There is no limitation on the legal-tender quality of gold, and there never was on the legal-tender quality of silver until silver was demonetized. We are trying to restore it to its original place. If people want to make contracts for silver or gold or wheat let them do so, but let our money be money and not print on it anything which will dishonor it and at the same time invite usurers to make extortionate contracts, as they undoubtedly will. It seems to me it is a very bad suggestion to make to these money-dealers. Let them rely on the common law and let us not legislate in favor of usury. It has been the policy of every civilized government from the foundation of the world to legislate against overreaching contracts. The money-lender can always put everything in the contract that the law will allow. There is no doubt he will get conditions upon it, but to have the hard condition of the money-lenders printed on the face of the money that is circulated in the country, to teach them to make contracts of this kind and to invite them to do it, seems to me to be unworthy the Congress of the United States.

Mr. MORGAN. Mr. President, the amendment of the Senator from Ohio is a part of the old plan of discrediting and dishonoring the silver coinage of the United States. In 1873 and in the Revised Statutes following the act of 1873 the silver coin of the United States ceased to be a legal tender, except in sums of \$5 under section 3586, which I will read:

SEC. 3586. The silver coins of the United States shall be a legal tender at their nominal value for any amount not exceeding \$5 in any one payment.

In that act of 1873 the qualification which the Senator from Ohio now seeks to put upon the feature of the bill which is under discussion did not exist. There has never been any qualification upon the legal character of gold, as the Senator from Nevada has rightly stated. Gold in any amount of coinage of the United States from a dollar up to a twenty-dollar piece, a fifty-dollar piece, whatever the coinage may have been, has always been a free and perfect legal tender for debts. Notwithstanding that, the parties have always had what is called here to-day a common-law right; that is to say, a right to put gold coin or silver coin in their contracts, as if it was simply a specific commodity, as wheat, as suggested by the Senator from Massachusetts.

What is the reason that the Senator from Ohio now desires to make a discrimination between the legal-tender quality of silver and the legal-tender quality of gold? That Senator has been professing during all of this debate, and for years past, a desire on his part to restore the parity and equilibrium between these two metals, and yet, when we get an amendment before the Senate upon which we are prepared to vote, the Senator is not satisfied unless he can still throw a shadow over the silver coin after it has been furnished by this act, and to say to all persons: "Make a margin between silver and gold if you can possibly work it out; make a margin; then make your contract upon nothing but gold, and you shall have the benefit of your margin in the judgment of the court."

Mr. President, that measure is intended and can be intended only to compel a margin between gold and silver. But I will not make any reflection upon the patriotism of such a movement as that in the Senate of the United States to distinguish between two metals that we call dollars, one containing so many grains of gold and the other so many grains of silver. At the same time, is it a worthy thing, is it a proper thing for the Senate of the United States, while professing to desire to restore the equilibrium between gold and silver, to cast a shadow upon the silver side of the question and invite speculators, bullion-dealers, and all that class of people continually to make a margin, to force a margin between gold and silver.

The proper view of this question, Mr. President, would be to dismiss such a contingency out of the question if it is possible to do it; not to put a standing invitation to speculators here that they shall create a margin between gold and silver.

After all, what does it amount to? Just what I have said and nothing

more, for if I give my note to the honorable Senator from Maine [Mr. FRYE], who sits in front of me, for \$1,000 in silver coin, and when the day of payment comes I tender him a thousand silver dollars of the standard silver of the United States that is a satisfaction of the debt, because it is the specific commodity which has been stipulated for. It also satisfies the debt upon another ground, which is that the statute makes it a solvent of the debt. The statute says, as well as the contract, that you shall accept a thousand silver dollars in payment of that \$1,000 note.

Suppose, however, I make the note payable in \$1,000 of gold coin of the United States, and there is a margin between gold coin and silver coin at the date of payment, and instead of tendering to him the gold coin, which was the specified object of the contract, I tender him a thousand silver dollars and he refuses to receive it and sues me upon the note, what does the court do? What can the court do? The court, when it renders a judgment against me upon that note renders a judgment for a thousand dollars. If that judgment said "a thousand silver dollars" or "a thousand gold dollars," there would be a reversal of the judgment. It is not such a judgment as the law authorizes any judge to render. No judge sitting in judgment upon a contract of this kind can render a judgment for anything else than a thousand dollars; and then, afterwards, when the defendant in that judgment comes to pay his debt he tenders to the officer of the law a thousand silver dollars and he takes it. That is the law of the case as plain as a pikestaff.

Then there is no field of operation for the Senator's amendment at all in the law unless he can encourage people to make a discrimination in the market value of silver dollars and gold dollars. The law handles the question in spite of him and everybody else. The judge gives a judgment for a thousand dollars, or, if there is a margin between the specific gold stipulated for in the contract and the silver thousand dollars, then the judge would say "a thousand dollars," but it would be increased by the difference in the margin. The creditor would make that out of the difference in his contract, but the judgment would be for dollars and only for dollars, and for nothing but dollars. Consequently the purpose of the Senator from Ohio can not be anything but merely, while pretending to restore the equilibrium between gold and silver coin, to put in an opportunity and an invitation, given by the laws of the United States, to speculators to come in and profit by this provision.

It was never in the statutes until 1878, never. When they came to fix the legal-tender quality of coin up to \$5 there was nothing said about a contract to alter that in any respect or its being permissible for a party to alter that by contract in any respect. So when, before that time and during that time and continuously since that time, gold coin has been always a free legal tender for debt, there has never been associated with it or connected with it or any attempt to associate or connect with gold coin any such qualification as that now attempted to be put upon silver.

Is not the object of the amendment a plain one? Mr. President, I must say that it looks to me to be disingenuous that gentlemen should pretend in the face of the United States that they are actually trying to restore the parity between the two coins and will restore it through the medium of this coin certificate, which is required to be issued here in this amendment proposed to the bill, when they come in and put upon silver this additional burden. If people want to make a margin by contract it is proposed that they shall not only have the privilege of doing so, but they are respectfully invited to make all they can upon this \$50,000,000 a year which is dug out of the American mines.

That is the whole proposition. Senators can not stand on that. That artifice can not be hid from the mind of any man of ordinary common sense. The people will comprehend it and they will visit this artifice back upon its authors.

In 1878, when the silver men proceeded as far as it was possible to go then in the restoration of silver coin to its proper value in the United States in commerce and otherwise, in all transactions and in the dealings of the Government with it, when they had gone to the front just as far as they could go, they were for the first time met with this same proposition that the Senator from Ohio now claims is in the statutes. Why, surely it is in the statutes, Mr. President, but how did it get there? It got there against the vote of every man who is a friend to silver. In 1878 we wanted free, pure, clean, clear legal tender for silver on a parity with gold.

The VICE PRESIDENT. The Senator's time has expired.

Mr. MORGAN. I have seen this rule violated so much to-day that I shall set a respectful example by obeying the gavel and taking my seat.

Mr. COCKRELL. I suggest to the Senator from Nevada an amendment to come in after the word "charge," in line 5.

Mr. SHERMAN. I think my amendment is pending.

Mr. STEWART. Let that amendment be disposed of first.

The VICE PRESIDENT. The pending question is on the amendment proposed by the Senator from Ohio.

Mr. COCKRELL. I want to make a suggestion on this amendment. After the words "without charge," in line 5, I suggest that there be inserted "which dollars shall be full legal tenders equally with gold coin."

That amendment would come in on line 5, so that it would read:

To be coined into standard dollars or formed into bars for his benefit and without charge, which dollars shall be full legal tenders equally with gold coin.

Mr. STEWART. That would have the same effect.

Mr. COCKRELL. Where the Senator places it, it puts the silver certificate and the silver coin on the same basis with gold.

The VICE PRESIDENT. The pending question is on the amendment offered by the Senator from Ohio [Mr. SHERMAN].

Mr. GRAY. Mr. President, I do not think that the amendment of the Senator from Ohio is at all necessary to accomplish the object which he states he has in offering it, and I further think it would be unwise phraseology to use in this bill if it should become a law, because there is an implication in it that there is a restriction upon the freedom of contracts that subsist entirely independent of it. The Supreme Court of the United States have already passed upon this whole question and as it seems to me have fully sustained the contract in regard to the kinds of money, where there is more than one kind of money known to the law as legal tender, in which a debt shall be solved. Where a contract is to be paid in currency or by its terms is to be solved in gold coin or silver coin, it can be enforced in the courts of the United States quite independently of any prescription of either kind of currency as legal tender.

I have before me an extract from one or two cases, one the case of *Dewing vs. Sears*, 11 Wallace, 370. Judge Strong in delivering the opinion of the court said the contract in that case was for pure gold in coined money.

Judgment should have been entered for coined dollars and parts of dollars, instead of Treasury notes equivalent in market value to the value in coined money of the stipulated weight of pure gold.

And in the subsequent case, *Freiblock vs. Wilson*, 12 Wallace, 687, Mr. Justice Field, in delivering the opinion of the court, stated:

The note of the plaintiff is made payable, as already stated, in specie. The use of these terms "in specie" does not assimilate the note to an instrument in which the amount stated is payable in chattels; as, for example, to a contract to pay a specified sum in lumber, or in fruit, or grain. Such contracts are generally made because it is more convenient for the maker to furnish the articles designated than to pay the money. He has his option of doing either at the maturity of the contract; but if he is then unable to furnish the articles or neglects to do so, the number of dollars specified is the measure of recovery.

But here the terms "in specie" are merely descriptive of the kind of dollars in which the note is payable, there being different kinds in circulation recognized by law. They mean that the designated number of dollars in the note shall be paid in so many gold or silver dollars of the coinage of the United States. They have acquired this meaning by general usage among traders, merchants, and bankers, and are the opposite of the terms "in currency," which are used when it is desired to make a note payable in paper money.

So, Mr. President, I should regret to see the amendment offered by the Senator from Ohio ingrafted upon this bill if it should become a law, for the reason I have stated. It is not worth while to raise a doubt where none exists and encumber the law with a provision which looks as if there were some restriction possible from that liberty of contract which obtains everywhere in regard to matters of this kind.

But as to the amendment to which this is offered by the Senator from Ohio as an amendment I shall say while I am on my feet that I object because I do not believe that the business of the country, the interests of its industry, and the welfare of its people will be advanced or promoted by its adoption. I believe, notwithstanding all that has been said by way of ridicule of those who are opposed to this measure, when they say they are in favor of both silver and gold as money, I do believe in both silver and gold as money, and I think that under the peculiar circumstances that have attended the mining productions and the value of silver bullion in the last fifteen years we have been peculiarly fortunate in being able to obtain a large circulation of silver on a parity with gold. I think something like \$370,000,000 are now outstanding.

Mr. COCKRELL. Three hundred and sixty-nine million dollars was the amount last July.

Mr. GRAY. Well, about \$370,000,000 either in the actual coin or in its paper representatives. So we are not badly off for silver money, the amount of which is being largely increased under our coinage laws every month. That money circulates and performs all the functions of money, is on a parity with gold, will purchase all that a gold dollar will, and increases the circulation by just the amount of its issue.

But what I fear, and what I think the country has reason to fear in the adoption of the amendment of the Senator from Nevada, is that we shall be relegated for the time being to silver money alone, eliminating our gold coinage entirely from circulation, and therefore bringing about a condition of things which will be one of severe contraction, and not the increase in the volume of the money of the country which it seems to desire.

Mr. President, the condition of things that I have described has been brought about and maintained because in the anomalous relation that silver maintains toward gold the silver dollar has been kept at a parity with gold, because there has been a limited coinage of silver money. It has been kept in the category, if you please, of token coinage. I do not use the phrase as one of inferiority, but as performing the useful function of a current coin of the United States capable of solving debt and of performing the function of exchange and all the other offices for

which a metallic currency is useful. Our friends who are favoring this amendment, the so-called silver Senators, make a mistake when they point to the parity of silver coin with gold and use that as an argument for its unlimited coinage, in forgetting what are the conditions which have heretofore surrounded the minting of silver dollars and which have been necessary to maintain its parity with the gold coin.

It is because we have by our legislation restricted the coinage of silver, because we have made the silver dollar perform the function of the half-dollar and the quarter-dollar, that we are to-day enjoying a bimetallic circulation—enjoying it, I think, to a greater extent than any other country in the world. How long that will continue, how long the incessant coining of silver bullion can go on and not absorb all the uses for which metallic money is made, and relegate gold to a coin that is out of circulation, I do not know. It may go on for several years yet, perhaps for many years. The prophecies in that direction that have been made heretofore seem to have been all at fault. I admit that the prophecies of those who thought that the continued coinage of the Bland dollar would remit us to a silver basis and a silver standard and banish gold coin from the country have not been fulfilled. Neither have the prophecies of those who were so profuse in promises at the time of the passage of that act, and afterwards, that the coining of so many millions a month would bring the silver bullion up to a par with gold. In the face of all that the value of silver, as measured by gold, has steadily decreased.

Mr. President, in view of the condition of our country and in order that labor may receive payment in the very best money, in order that capital may not discharge its debts to the laboring people of this country in a depreciated coin, I do not believe that we should adopt the amendment of the Senator from Nevada. Whether the time will come hereafter when we may deal with this question with a fuller knowledge and more wisely I know not, but at all events I do not believe that the present is that time. I believe that the financial troubles of the country, which have been so much spoken of, will cure themselves by those natural methods and under those natural laws which have heretofore obtained.

The PRESIDING OFFICER (Mr. DOLPH in the chair). The Senator's time has expired.

Mr. CALL. Mr. President—

Mr. SHERMAN. If my proposed amendment creates delay, I do not propose to press it. The whole matter is, I consider, in the hands of my opponents politically, and therefore I am perfectly willing to withdraw the amendment and let them take the measure in any shape they choose to place it, as I can not vote for it in any form.

The PRESIDING OFFICER. The Senator from Ohio withdraws his amendment to the amendment of the Senator from Nevada.

Mr. CALL. Mr. President, there does not seem to be a great deal involved in this part of the amendment proposed by the Senator from Nevada. Every contract creates a debt, and by the Constitution debts in all the States can only be discharged by a tender of gold and silver coin at the ratio and relation to each other prescribed by Congress. If a man makes a contract for bullion it must be discharged in gold and silver coin by the judgment of the court, although the value of the bullion may be greater or less as paid in one or the other kind of coin. This is evidently the necessary import of these powers.

A contract creates a debt. A debt must be discharged in all the States by a tender of gold and silver coin at a ratio with each other prescribed by Congress. That begins and ends the subject. But the Supreme Court of the United States have intervened other considerations, and have settled so far as their decision can settle the law upon this subject differently, and extending the provisions of the Constitution to embrace a class of cases which its words clearly do not warrant. In the case of *Bronson vs. Rodes* (7 Wallace, 250) the court say:

A contract to pay a certain number of dollars in gold or silver coin is, therefore, in legal import, nothing else than an agreement to deliver a certain weight of standard gold, to be ascertained by a count of coins, each of which is certified to contain a definite proportion of that weight. It is not distinguishable, as we think, in principle from a contract to deliver an equal weight of bullion of equal fineness. It is distinguishable in circumstance only by the fact that the efficiency of the amount to be tendered in payment must be ascertained in the case of bullion by assay and the scales, while in the case of coin it may be ascertained by a count.

Nor have those provisions of law which makes these coins a legal tender in all payments been repealed or modified.

It follows that there were two descriptions of money in use at the time the tender under consideration was made, both authorized by law and both made legal tender in payments. The statute denomination of both descriptions was dollars, but they were essentially unlike in nature. The coined dollar was, as we have said, a piece of gold or silver of a prescribed degree of purity, weighing a prescribed number of grains. The note dollar was a promise to pay a coined dollar; but it was not a promise to pay on demand nor at any fixed time, nor was it, in fact, convertible into a coined dollar. It was impossible in the nature of things that these two dollars should be the actual equivalents of each other, nor was there anything in the currency acts purporting to make them such. How far they were at that time from being actual equivalents has been already stated.

If, then, no express provision to the contrary be found in the acts of Congress it is a just, if not a necessary inference, from the fact that both descriptions of money were issued by the same Government that contracts to pay in either were equally sanctioned by law. It is indeed difficult to see how any question can be made on this point. Doubt concerning it can only spring from that confusion of ideas which always attends the introduction of varying and uncertain measures of value into circulation as money.

The several statutes relating to money and legal tender must be construed together. Let it be supposed then that the statutes providing for the coinage of

gold and silver dollars are found among the statutes of the same Congress which enacted the laws for the fabrication and issue of note dollars and that the coinage and note dollars are legal tender in all payments, as they actually are. Coined dollars are now worth more than note dollars; but it is not impossible that note dollars actually convertible into coin at the chief commercial centers, receivable everywhere for all public dues, and made, moreover, a legal tender everywhere for all debts, may become at some points worth more than coined dollars. What reason can be assigned now for saying that a contract to pay coined dollars must be satisfied by the tender of an equal number of note dollars which will not be equally valid then, for saying that a contract to pay note dollars must be satisfied by the tender of an equal number of coined dollars?

Now, the court in that case decided in express terms that a contract to pay in gold and silver can not be discharged by a tender of a legal-tender note of the United States, so that, whatever may be the true intent and meaning of the Constitution as we have heretofore understood it, although it is true that in estimating the damages the judgment might be satisfied by the payment of either one or the other, the value of the coin dollar over the note dollar or the note dollar over the coin dollar as contained in the contract would find its expression in the judgment of the court.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Nevada [Mr. STEWART] to the amendment reported by the committee.

Mr. STEWART. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McPHERSON. Mr. President, I desire to say a single word before the vote is taken upon this amendment. As a member of the Finance Committee I did not vote for a favorable report of the bill as presented by the Senator from Ohio. I was very much opposed to several of its provisions. I am also opposed to the amendment of the Senator from Nevada and for reasons which I shall state very briefly. I had intended, somewhat at length, to present my views to the Senate upon this important question, but owing to physical infirmity I was unable to do so at the proper time, and the Senate now having decided to limit debate to ten minutes I shall confine myself to this limit.

If the knowledge which experience gives is of any use or guide in the affairs of men, and the error which was made in our coinage relation in 1792 banished gold from this country for forty-five years, and the error of 1837 brought gold back into use and banished silver until 1853, how much more certainly will a difference of 22 per cent., which has existed in this country between the relative value of gold and silver for the past two years, drive all of the gold coin out of the country.

Sir, during the period of time of which I have spoken the mints of Europe were open to the coinage of both gold and silver, and still there was a variation of not more than 3 per cent. The mints to-day are closed against silver coinage, and the Government of the United States proposes when there exists a variation of 22 per cent. to open its mints to the free coinage of silver and permit the silver of the world to be belched in upon our mints to be exchanged at the ratio of 16 to 1.

Now, what will be the result? Why, sir, I believe the result will be to demonetize six or seven hundred million dollars of gold that we have in this country to-day doing service as money, with which our silver coin, under our very careful and prudent management of the finances of this country, has been able to circulate harmoniously and concurrently. If there ever was a period of time, from 1792 down to the present moment, when it was inauspicious and dangerous to try the experiment, it is at this very moment.

The contract of the states of the Latin Union expired on the 1st day of January. They are waiting, and holding on as it were by the eyelids, ready to make any movement which may seem to be for their advantage. They may send their silver here and exchange it for gold and go upon a gold basis, leaving us the only great nation of the world practically of any importance or of any consequence which is having the silver basis for currency and the silver standard.

Mr. President, if there was any necessity for this legislation I should look upon it perhaps in a different light, but the country was never more prosperous. We never had more currency than we have to-day. We have more currency than we can use, and if you double the fifteen hundred million dollars of currency to-day which is doing service in this country as money and make it three thousand million dollars it would not help a single impecunious man in this country to get one single dollar of money. You can go to-day to New York and all the great money centers and can borrow money in untold sums at 3 per cent. interest if you can give a tempting equivalent for it, but you can not borrow it on long time, and why? Simply for the very reason that the country believes that it is the disposition of Congress to put the country upon a silver plane, to change the standard of money from a gold standard to a silver standard, and therefore there is a want of confidence.

The banks are hoarding money, the savings banks, the trust companies are hoarding it to provide against the future, and nobody can blame them for doing it. But if you were to stop this proposed legislation here and now and let the country alone, it has currency enough, and we can wait until such time as the Governments of Europe are ready to join with us in establishing an international basis for the silver coin. Then you would disturb no business industry in this country; you would take

no money out of the pockets of the people; you would do no injustice and you would not relegate our Government and our country into the same position with regard to other commercial and financial nations that India, China, and Japan occupy to-day.

Mr. EUSTIS. Will the Senator allow me to ask him a question? As I remember, he has voted against every silver proposition that has been submitted in this body. He voted against the law of 1878, and he voted against the law of last year.

Mr. McPHERSON. Yes, I think I was against it because I was opposed to giving the legal-tender quality to the notes, but I was not opposed to the use of silver in our currency. I was not opposed to the \$4,500,000 per month.

Mr. EUSTIS. Now, I will ask the Senator whether he considers that the addition of \$370,000,000 of silver currency has been detrimental to the interests of the people.

Mr. McPHERSON. Not at all. The addition of \$370,000,000 of silver currency has been of benefit to the people of the United States, and I am perfectly willing, if there is not a sufficiency of currency in this country, to extend the limit of \$4,500,000 per month of silver purchases to \$6,000,000 or even more. I want the people of this country to have all the currency they need in their business. But see the difference between the act of last July and the amendment that is proposed here. You then purchased four and one-half millions of silver, and you put it in the mint not to be coined.

Upon that you issue certificates which represent a dollar's worth of silver for every dollar of currency issued. You coin no dollars. There is no danger of destroying the parity between the gold dollar and the silver dollar as long as you do not coin the silver dollar and so long as the Treasury notes do not come back to the Treasury for redemption. I understand that no considerable number of the Treasury notes that were issued under the act of last July have come back to the Treasury for redemption. I claim that under that law you can have \$500,000,000 or \$700,000,000 of silver piled up in the Treasury and issue your Treasury notes upon them and still maintain the parity between gold and silver. But no sooner will you have passed a bill throwing open the mints to the free coinage of silver in this country than that very moment gold will seek a hiding place and you must find something to take the place of that currency displaced. What will it be?

As a matter of course if our silver friends on that side of the Chamber and upon this side are correct in their view you can not obtain the silver from the other side of the water. They say they have no more silver than they need. But you must find something to take the place of the displaced gold or what will be the result? You will start the printing presses, and instead of a silver currency or gold currency or a currency based upon both you will go back again to the unlimited issue of an irredeemable paper money, or if ever redeemed at all it will be redeemed in silver coin because you will have nothing else to redeem it with.

Mr. PLUMB. Will the Senator permit me a moment?

Mr. McPHERSON. Certainly.

Mr. PLUMB. Can the Senator conceive of any better recommendation for a currency than that when it goes out among the people it stays out and is not presented for redemption? In other words, the office that that currency performs is among the people in effecting the discharge of debts and the exchange of property, always out and never returned to any central source where it may be accumulated or hoarded.

Mr. McPHERSON. I can imagine none better. Why not, then, continue the present policy instead of the more dangerous policy you now advocate?

The VICE PRESIDENT. It is the duty of the Chair to remind the Senator from New Jersey that his time has expired.

Mr. HAWLEY. Mr. President, I do not propose to occupy the time at this late stage, but I am not quite willing to have a vote taken without a word more than my vote "nay" will be.

I beg to deprecate the feeling that has long been exhibited here and to say that I am not here to speak against silver. We are now by the existing law offering to buy four and a half million ounces a month, or 54,000,000 ounces a year, to give Treasury notes for it, legal-tender notes, I suppose, and proceed to coin that at our leisure. Now, that law is not enough; they are not satisfied with that because we propose to buy that silver in the open market, at market rates. No matter how much that may accelerate the price we will buy it at market rates and coin it and issue it at a superior value, taking for the government of the whole people the profit.

But that does not answer our friends of the silver persuasion. They demand that a 20 per cent. profit shall be given to the mine-owner. No compromise is admitted. We are to give him a dollar for 412.5 grains of silver when we could buy 480 grains for \$1.07. The difference is not between an increase of the coinage through silver. The difference between us is that we are not willing to give to a certain class of producers for the product of their soil 22 per cent. more than the market allows them. That is the real difference between us.

They tell us that foreign silver under this proposed law will not be sent in and deposited here. I do not see why not. They will get here approximately 22 per cent. more for their silver than they get in the London market, which is the center, the indicator of all markets.

Mr. TELLER. I do not wish—

Mr. HAWLEY. I decline absolutely to yield.

Mr. TELLER. All right.

Mr. HAWLEY. Absolutely, and I am rather cross about it too.

Mr. TELLER. The Senator is very cross.

Mr. HAWLEY. We have been just trampled upon by some of the best men in the world here. They have had no patience. They have denounced my constituents and have denounced everything an inch high and a year old; and all I beg now is ten minutes, and I am going to try to talk civilly.

We are already buying more silver than the United States produces. I am making no allowance for what is consumed in the arts; I do not know exactly how much that will be; and I am willing to buy more.

Now, they will say that I am false and untruthful, for they have said things like it over and over again, when I declare that I have an intense desire to rehabilitate silver and, if possible, to bring the two metals to a parity and make as much use of silver as possible; for gold alone will not answer the purposes of the world. I should like to approximate the condition of France if I could and keep it as steadily as they can do, because they can work their silver; it is interconvertible; it is made as good as gold by their will, and they can hold it so, I think.

I say I will do more; I will buy more than four and one-half million ounces. I join one of the two Democrats on the silver question whom I have heard speak—old-fashioned Democrats—in saying I am willing to go further; but there is no yielding. It is very little use for me to say that this pending measure is against the judgment of wise men, because every man who controls large sums of money or handles it, if he speaks against the measure, is not to say personally insulted, but denounced as having selfish, and corrupt, and wicked, and cruel interests against the true interests of the people. I do not know any such people, yet I live in a town that is full of savings banks, and national banks, and private banks, and fire-insurance companies, and life-insurance companies, controlled by an honorable body of men, and their money is scattered all over the West.

Gentlemen seem to think that because one of our insurance companies, for example, has \$30,000,000 capital on hand it is worth that much and is living in royal, rotten luxury upon that money. It is every dollar held in trust in lumps of ten thousand or five thousand or fifteen hundred or two thousand for poor men all over the country. Their lives are insured and they put their money there, and these men are merely trustees for poor men. So with our savings banks. I know we are called gold bugs, goldites, and gold barons. In Pratt street, in my town, they are handling \$10,000,000, and there is not a salary above \$4,000 in the concern and never a dividend paid. These savings banks are practically managed as a benevolence. There is nobody in our town who will fight more for the sanctity of contracts and for the soundness of the national currency than these men.

There are scores of millions in my town administered, not for the benefit of the men who sit there and run it, but for the benefit of the little shareholders around and for the savings-banks depositors and holders all over the country. These are the men who fight for the sanctity of Federal legislation and Federal currency. These are the men whom I defend, and assaults upon whom, made here without limit and without distinction, I resent. I rely upon the judgment of such men, upon the judgment of men controlling savings banks and life-insurance companies, and even loan companies collecting savings of comparatively poor men for loaning out in the West, and it is loaned to the extent of twelve or fourteen hundred millions of deposits in the savings banks of the country.

I respect the judgment of private and of public bankers. They are indispensable co-operators with our great manufacturers, with our large merchants, as well as the smaller tradesmen, and all others to whom they loan money. All the people around there tell me that it is dangerous to embark upon the unlimited coinage of a depreciated metal, dangerous as a disturbance in the values of existing property, a property held solemnly in trust by the hundreds and thousands of millions of dollars. They tell me not to vote for such a bill; they tell me to oppose it; that there is national danger in it. They tell me what I knew already, that you can not control international laws in this matter any more than you can control international winds and waves and tides; that they will settle values beyond all your decisions. Your law is supreme within our limits, but when you cross our lines with an American dollar or an American Treasury note, you take what the world chooses to give you, and you have no power over them. Your legal-tender law dies three miles from the shore.

I regard this measure as fraught with a possibility of unlimited evil, but what 65,000,000 people can stand who carried that war and reduced that debt, I do not know. The danger may not come as soon as we expect. There may not be enough silver in the world to ruin us; I do not know. It may not come here fast enough to ruin us; but all I know is that the wisdom of this country upon financial matters is against it.

Mr. TELLER. Mr. President, the Senator from Connecticut seems to be somewhat sensitive of criticism of his constituents. He proceeds, though, before he expresses himself so earnestly, to denounce everybody who has been in favor of silver coin and the use of silver as

money on equal terms with gold as only moved by an impulse to aid their own local interests. He says all we want in this matter is simply to make the difference between the market price and the mint value, which he says is 22 cents.

Now, the Senator has heard as honorable men as any Senator who ever came from Connecticut say again and again, and by their votes show, that they were not influenced by the single question of increasing the price of silver. It does seem to me that the Senator is oversensitive when somebody attacks the moneyed men of Connecticut and quite free in his denunciations when he comes to criticize his fellows on this floor and elsewhere.

Mr. President, I rose to ask the Senator a simple question which would have indicated, I think, how little he knew upon the subject. I shall not ask the question. He told us what he knew about it, and added practically that he did not himself know anything about it except what the moneyed men of his State had told him.

Mr. President, that is what I complain of and that is what I complained of in the Senator from Ohio. He spoke a day or two ago of the dense ignorance in the financial circles of this country upon questions of the philosophy of money, upon the history of finance. The Senator from Ohio told me, and now the Senator from Connecticut tells me the same thing, that these men who know how to loan money and collect discounts and who know how to get the interest on their loans are the financiers.

Mr. President, the best banker who ever lived may never have read a single page on the philosophy of money. He may know nothing about the history of money. He may know nothing of ratios, he may know nothing of the amount of silver that is anywhere in the world, any more than the Senator from Connecticut admits he knows, and he admits he knows nothing.

Mr. HAWLEY. I never admitted it in the world.

Mr. TELLER. Practically he admits it when he says he does not know whether silver is going to come here.

Mr. HAWLEY. Does the Senator know?

Mr. TELLER. The Senator asks me if I know. Mr. President, I can tell him that the money that is doing money duty, the \$3,800,000,000 put by some and put by others at more, is every dollar of it worth a dollar to-day in all the markets of the world. Yet the Senator talks about its coming here at 22 per cent. discount. There is not any silver in the world that amounts to anything that is not doing duty as money at a value 3 per cent. higher than our money is now, and the Senator ought to know it. In addition to that, out of this \$3,800,000,000 as put by some, there are five hundred millions doing money duty at a ratio of 1 to 13 and 14, and that is not coming here.

Mr. President, I have not assailed the citizens of Connecticut; I have not assailed the citizens of New York. I understand that men whose business it is to collect interest and receive discount or exchange know their interest, and it is their interest to have just as dear money as they can get. I am not assailing them; they are working for their interest. I think the interests of all the people of the United States are involved in this measure, and not the interest of the silver-miners of Colorado. I repeat that I should have the same desire in this matter if I represented any other State, having given the same attention to this subject that I have now.

If the Senator gets angry because somebody reflects upon his constituents he ought to wonder whether we will not get angry when somebody reflects upon us directly. We have been told here in this debate that every statement we made was false. The Senator from Ohio said yesterday, "Why, the Senator from Colorado wants to go on a silver basis." He knew I had stood here for ten years asserting that I was opposed to the silver basis as I was opposed to a gold basis. He knew that every vote I had ever given here had been in favor of honest contracts, and yet he makes that statement as to myself and every other man who agrees with us. He does not say that will be the result of your policy; he says the Senators want to go upon a silver basis. We have submitted to that, and the Senator from Connecticut will have to submit while I stay here to a proper characterization of both his conduct and that of his constituents.

Mr. HAWLEY. I move to strike out the last sentence of the amendment offered by the Senator from Nevada, beginning "and all such Treasury notes issued, etc."

Now, I thought that while I spoke with vehemence and natural feeling upon this subject I had not said an uncivil word about the silver men. We are apt to be very much mistaken in these matters. I sought to set a good example. I may say I sought to follow in the course pointed out by the Senator from Colorado during this debate, which reminds me of a little extract we used to speak in school, Rienzi's address to the Romans:

I had a brother once—a gracious boy,
Full of all gentleness, of calmest hope,
Of sweet and quiet joy—there was the look
Of heaven upon his face, which limners give
To the beloved disciple.

How I loved
That gracious boy! Younger by fifteen years,
Brother at once and son! He left my side,
A summer bloom on his fair cheek; a smile
Parting his innocent lips.

Now, the sweetness and light which the Senator from Colorado has diffused and shed over this debate and the debate upon the currency question and everything wherein his dear friends and neighbors have had occasion to differ with him has been an example to the apostles to come. I did not denounce them; and I am not worrying yet about my constituents who represent great interests; but it is a gross slander upon them to declare that they are animated by personal motives in their opposition to rash movements in the matter of finance, for they are honorable men, holding, as I said, the trusts of hundreds of millions of dollars for the average citizen and the poorer citizen, for it has been said that the servant girls of Hartford hold the mortgages on the town. Several great savings banks have in the neighborhood of \$20,000,000 on deposit for that town and that country round about.

Those men manage the funds with more care than the private speculator, the great owner of the railroad stocks, the Jay Goulds and others, who have a right to speculate with \$10,000,000 and the right to lose it if they please, and nobody lies awake nights because it is scattered and lost. But those men would be justly ever reproached by the consciences and forever reproached by their neighbors if they did not keep men on the watch tower looking out for frauds and changes and evasions in currencies and trusts.

Neither did I say I knew nothing about this question, for in a place where I am bound to say infinite ignorance has been displayed by some it behooves no man just to say to himself that he knows nothing. But I did say that I paid very high regard to men my equals in years; I am sorry to say not many of them much older, but much more my equals in long lives of experience and of confessed and admired sagacity in all financial matters. I pay great deference to them, while I consult quite a respectable financial library of my own, and I am bound to say in that library this scheme gets very little confidence indeed. There are few bimetallicists in Europe who would advise this course. Does anybody know one? I have heard some who talked very much in the other direction. The bimetallicists of the five united nations advised them to stop coining silver awhile ago, and yet their silver is convertible into gold.

Now, it is all very well to say that we knew enough to form a republican form of government and they do not. I would not care whether Europe was with us or against us if this was a matter of right or wrong, a question of forming a republican government or anything of that sort; but we are all one in matters of business and currency. Whatever we may say about international lines we are all one in a good many respects. Therefore, the judgment of five-sixths of the civilized world against a scheme like this is worth thinking of, and the judgment of the great mass of men who control great properties, and the great properties are held by the poorer people, is worth thinking of. The judgment of your Chicago Board of Trade, I think, against it is worth speaking of; the judgment of the mining convention in Wyoming protesting against silver coinage is worth speaking of.

I do not admit that the majority of the people of this country are in favor of this scheme, for it has never been made the subject of one, two, or three thorough national discussions. The jury have never heard the arguments on anything but exceptional occurrences here and there, and essays. It is an interesting subject, to be sure, but it has not been brought out at the hustings, as it will be. If our Democratic friends are compelled now to have silver coinage, if they are driven to it, with or without Cleveland—he has got to be if he stays their candidate, and if he is he is gone—we shall have several of these things coming up two or three years hence.

I told the Senator I did not know whether the silver would or would not come here. I said that by way of optimism and hopefulness. I hope it will not. I hope if these things become laws we shall not be hurt as much as we fear; but we may. There are some laws of finance, as there are laws of morals and ethics, that can not be violated. You may think you make money upon them by violating them, but you do not in the long run; they average themselves.

Now, I say I hope my country is not going to suffer; but I believe it will suffer eventually under legislation like this.

Mr. PLUMB. Mr. President—

Mr. HAWLEY. I will withdraw my amendment unless the Senator desires to speak upon it.

Mr. PLUMB. I have not spoken on the amendment that is pending.

Mr. HAWLEY. Then I withdraw my amendment.

The VICE PRESIDENT. The Senator from Kansas has already spoken on the pending amendment.

Mr. PLUMB. I beg the Chair's pardon. When I spoke three or four amendments were before the Senate, which have since been withdrawn.

The VICE PRESIDENT. Perhaps the Chair may be in error. That was his impression.

Mr. PLUMB. I am speaking as to a fact which I think is plain. But of course I do not want to have a dispute with the Chair.

The VICE PRESIDENT. The Senator from Kansas is in order. The Chair was misinformed.

Mr. PLUMB. Mr. President, the Senator from Connecticut brings up another class who are interested against the free coinage of silver. The Senator from Iowa [Mr. ALLISON] paraded the pensioners, while

he knows that the people who are in possession of the fixed capital of this country hate the pensioners as the devil hates holy water. That was an endeavor to get the capitalists behind the skirts of the pensioner. The Senator from Rhode Island [Mr. ALDRICH] spoke of the laborer. He is an employer of the laborer. I think the laborers of Rhode Island will not look to him with any very supreme confidence for an exposition of their interests. And now the Senator from Connecticut brings up the Connecticut widow. He has got the capitalists of the country behind her ample skirts.

Mr. HAWLEY. I believe I did not mention her, but no matter.

Mr. PLUMB. Well, he mentioned the servant girl. She may be a widow or may not; probably she may wish she was; and he reminded me of a passage in a familiar poem, or it ought to be familiar to all New England ears, the *Panorama of Whittier*, in which, in describing a class of people who were in vogue at the time the poem was written, he says:

Such are the men who leave the peddler's cart,
While faring South, to learn the driver's art,
Or, in white neckcloth, soothe the pious alm
The graceful sorrows of some languid dame,
Who, from the wreck of her bereavement, saves
The double charm of widowhood and slaves!

So, Mr. President, we have the invocation here against the free coinage of silver against the New England widow, who, in addition to the charm of widowhood, has the bond, and is the last resort of the men who, despising all these classes, only use them for their own selfish interests.

Now, there has been something said about the dollar; and I am repeating what I said some time ago to the effect that a dollar has been created by law dishonest, oppressive, and having been created we are now besought to maintain it, and to measure not only wheat and corn and oats and cattle, but silver by it, when the fact is that the silver which the Senator speaks of has depreciated, and the 412.5 grains of silver which he says is worth less than a dollar will as merchandise, at its merchandise value, exchange for more wheat and oats and cattle and hogs and clothing and land and all the other things that people use in all quarters of the world than it ever would before.

Now, which dollar is dishonest? the dollar which has maintained a parity with all other productions or the dollar which by the arts of legislation has been elevated above all other things and has thus become valuable beyond all other things and has become the thing in which the creditors of the world have sought and have secured to have measured the things that are coming to them? There, Mr. President, is an end of this controversy. I see no more reason why a dollar should be so constituted by law as to buy more than it would without the aid of the law before, and for the law to do that thing is to do this dishonest thing by the men who produce other things than dollars.

Mr. President, the Senator speaks about public opinion in Europe. There is no such thing as public opinion in Europe on the money question. The Senator from Louisiana [Mr. EUSTIS] says "Or any other question." There is not a monarch in Europe who dares wake up to-morrow unless he is assured of the ability to carry on a war. He does not dare to contemplate the possibility of even a day in which he is not able to carry on a war for the maintenance of his prerogative, and, unless it may be in the case of Russia, there is not a government in Europe that can maintain war for one single hour without the consent of the men who have got money to lend. There is, therefore, no public opinion on the money question in Europe, but everything is subordinated to that one thing of the ability to borrow money from the people who have it to lend, and who are no more modest in that country than in this in fixing terms to their own advantage.

Therefore, Mr. President, five-sixths of Europe is not worth an hour of Cathay; it is of no consequence whatever. It is for us to determine whether we shall have a monetary system based upon honest dealing, based upon enlightened public opinion, or whether we shall follow in slavish obedience the behests, the doctrines, the practices of a country in which the only opinion is that which is made by the men who have money to lend. There is no precedent there except as occasionally it breaks through the crust of things, and the struggling agriculturist or laborer getting his head above the condition of things for a moment to take breath says, "I want something else than I have now." So far as that element can express itself it has expressed itself; and we know that the toiling millions of Great Britain and of Germany and the other countries, so far as they have been able to express themselves, have said that the condition of things existing there was oppressive, and all they wanted was to get away from it.

Mr. President, Europe can not be appealed to. Why? From a million and a half to two million of people are every year coming here from there. Why? Because they can better their condition, and that condition is bad in a large measure because of the monetary system of Europe, which is in favor of the people who own fixed capital and not in favor of the masses of the people. It will not do to appeal to Europe.

What is America for? What in Heaven's name was the design of the Providence that gave us a continent washed by two great oceans with a greater variety of production than any other country in the world,

with greater opportunity for development? Was it that we were to take it and become a tenant of Europe? If there was no providential wisdom in thus effecting our emancipation from the Old World conditions we had better divide it, as the South wanted us to divide in 1861. We had better have struggling principalities, pumpnickel governments, than have one great government if we are to do nothing with this great opportunity and this great energy of ours, and these great aptitudes of our people and these great natural advantages.

Mr. President, my colleague spoke eloquently this morning about the increase of the wealth of the country. I regretted that he could not have been prompted in advance to say that a large portion of that increase grew out of the transfer of land from the Government to the private individual. In the last twenty years more than 300,000,000 acres of land have been transferred by the General Government to private holdings. The mere transfer meant the increase of value. Before it was transferred it cut no figure upon the assessment rolls or in the assessor's returns of wealth. When transferred at a nominal value or for nothing it became worth \$2, \$3, \$4, \$5, and \$10 an acre.

It is probably safe to say that those 300,000,000 acres of land, largely by reason of the mere fact of transfer, and uncultivated, in the natural state, are worth to-day \$10 an acre at least, and there is an increase of value of \$3,000,000,000 which can not be repeated; when we come to the point where we shall quit making values by adding to the assessed value of our lands we shall find a different condition of things. We shall then have to create the wealth we have got. The contrast which my colleague made is all the more strong in that he showed that a large portion of the wealth of this country, including that which has been the result of this fortuitous circumstance, has been transferred to a handful of people. It is against the continuation of this condition of things, it is in order that labor may be unharnessed, and that the feet of the great masses of the people may be taken out of the tangle and the impediment of an outgrown financial system and a condition of things based upon the wishes and interests of fixed capital, that those who contend for the free coinage of silver are so earnest about it.

The VICE PRESIDENT. The Senator's time has expired.

Mr. MORGAN. It is too late in this debate, Mr. President, to go into any doctrine about this question or into any history of any extended character, but there are some prominent facts that have been cited on all sides here which I think should be noted.

It is a known fact that our annual production from the mines is about \$50,000,000 of silver and about \$32,000,000, on the average, of gold. We are buying now under the act of 1890 4,500,000 ounces of silver per month. If you add to that the coin value, it will bring up the coin value of the silver we are purchasing to \$56,160,000 a year as I count it. Now, that is about \$6,000,000 more than we produce. Counting out what is taken up in the arts, which will be about \$18,000,000, or perhaps \$20,000,000, per year, possibly not so much as that, it would be at least, I suppose, \$18,000,000 a year more than we produce.

After we had passed the law there was quite a spurt in the silver market. The market fluctuated until it got within a few points of par, perhaps above ten, and then it rested; and from that time until this it has been fluctuating, just as the price of cotton, the price of wheat, or the price of any other commodity has been fluctuating, in consequence of the demands of the financial world for money in other modes of investment or to pay debts.

Now, the reason of this fluctuating is simply this: that we have left silver in this country entirely upon a bullion basis. If the Government of the United States, instead of making of silver a mere commodity, had coined it and paid its coin out on a parity, whether the bullion price might go up or not, at a fixed standard with gold, we have the right to assume that the silver coins and gold coins would have been of equal value, at least in any part of the United States.

But how is it? We have left the price of silver exactly where the laws of trade have placed the price of cotton, the price of wheat, and the price of other provisions in this country, to be regulated by the markets across the water. Instead of giving to it a fixed and particular money value, giving to it the assistance of the Government of the United States in pronouncing that 412½ grains of it shall be a dollar, simply that any man shall have coin who will bring \$100 worth to the mint, we have left it where we have been obliged to leave provisions of every kind, to be priced by foreign markets. Consequently, when we want to have the price of silver at the mint of the United States we get cablegrams from Liverpool or London to find out what they are paying for it there. We place this great annual production of \$50,000,000 at the will and pleasure of a foreign market, just precisely as we are obliged to do with regard to cotton, corn, wheat, and what not, of which we have a surplus to send abroad in our commercial intercourse.

Now, Mr. President, it is not worthy of this Government to take that course with the products of these mines. We are producing now more than one-half of the silver that is produced in the world. We have the constitutional right, the constitutional duty of coining and putting it on a parity with gold, of pricing it in our own mines and in the pockets of our own people. Why should we abandon that commodity to be priced in a foreign country? It can never maintain a parity with gold

under those circumstances because the foreign governments, particularly those of Russia, Germany, and Great Britain, are interested in keeping down the bullion value of silver.

Who can deny that the Government of Great Britain is constantly interested in keeping down the bullion value of silver in order to prevent injurious competition with her outlying colonies? France, not having such large colonial possessions and not being in the same situation, finds it to her advantage to keep up the price of silver, Great Britain putting it down. Why should we take this \$50,000,000 a year and expose it to be priced in London, when it is our constitutional duty to coin it? That is what the Constitution means, that the people of the United States shall have free coinage of silver and gold. It can not mean anything else.

So it occurs to me, Mr. President, that we are standing in our own light in simply refusing to step out and put our feet upon the rock so as to utilize the provisions of our own mines. As I said the other day, in ten years' time, if we did so, our mines would produce \$450,000,000 for redemption purposes.

The Senator from New Jersey [Mr. McPHERSON] seems to be apprehensive that it will be made into what is called fiat money, printing-press money. Why, Mr. President, there is but one condition of affairs in which that can ever take place in this country, and that is when the metallic basis of our paper issues and promises is not broad enough to justify the country in building its commercial transactions upon that basis. I am sure we need more money in circulation than the basis of the banking system, that is, the gold dollar, when it can become even probable, to say nothing about its being necessary, to resort to the printing press to produce money, as the Argentine Republic has done to meet what was deemed public demands.

But instead of having a coin basis in the United States, whether of gold or of silver, I would have no doubt at all about floating our paper currency, at least among our own people, and giving them the benefit of it, so that it would prevent banks from closing their doors every time they get into rather a close place in consequence of having lent their money to the Wall street speculators. That is about their situation, so far as that is concerned. So that answers the argument of the Senator from New Jersey in regard to our being compelled or being induced here to resort to the printing press for the purpose of inflation. If we will only utilize the products of our own mines, \$50,000,000 of silver and \$32,000,000 of gold, as a basis of redemption we shall have nothing to fear unless it may be that the balance of trade may turn against us.

That can not by any means occur, Mr. President, in the next century, or perhaps within two or three centuries. So I need not stop to argue that question. I shall assume that the usual balance of trade has been in our favor and that that is founded upon immutable conditions. So that it is hardly worth while to fear that it will turn against us in the next fifty or one hundred years. So we may dismiss that consideration.

Now, as I understand the Senator from New Jersey, if silver is not remonetized, according to the Gresham law gold will be driven out of this country. I have heard that assertion often, and I have cogitated and reflected upon it to find out what that does really mean, to find out about this traveling process. How is anybody going to drive gold out of the country? Gold is not going to leave this country unless it is to pay some foreign debt or to purchase some foreign commodity. You can not drive it as you drive a flock of sheep out of a pasture and put up the fence behind them. That is nonsense, if Senators will pardon me for using a word that is the only one I can think of that is entirely descriptive of the thought.

There is no driving process about it. If gold leaves this country now or hereafter it will be because a better use of it can be made abroad in payment of debts or the purchase of commodities than can be made here. It may be retired in favor of a cheaper money than that of our own country, it may be hoarded, it may be concealed, it may be kept from the bullion basis by possibility. But, Mr. President, how much gold is here now in actual circulation? How many Senators on this floor have in their possession to-day a five-dollar gold piece? How many of these people in the galleries have a five-dollar gold piece? How many people in the United States have got in their pockets or in their possession a five-dollar gold piece? They have not got it and it does not circulate.

The VICE PRESIDENT. The Senator's time has expired.

Mr. COCKRELL. Mr. President, I should just like to read a few lines from a work entitled "Gold Standard," by Baron William von Kardorff-Wabnitz, of Germany, so that we may "see how others see us." He gives an account of the passage of the coinage act. After quoting from the speech of Judge Kelley, explaining how it passed without any members of the House knowing it, he says:

We have here a pretty piece of American parliamentary history. Quietly, without a word being said about it in the debates or the press, an unimportant bill relating to the management of the mints is made use of to put the gold standard in the place of the prevailing silver standard, and this entire change is overlooked by the House of Representatives; and the bill on its return from the Senate is adopted *en bloc* without any opposition, and, what is more, approved by the President of the United States without his having an intimation of its proper contents.

Mr. HOAR. What is the Senator reading?

Mr. COCKRELL. I am reading from the Gold Standard, by Baron William von Kardorff-Wabnitz, and he has just quoted from Judge Kelley's speech of 1879 and from General Grant's letter written after the passage of the coinage act of 1873, in which he shows that he did not know that the silver dollar had been demonetized. The author goes on to say:

In the near relationship of the English and American people, in the intimate connection in which the American civilization stands with the English, in the close and extensive commercial relations between the two nations, it was in the nature of things that the American financial administration should stand in a great degree under the influence of the observed financial practice of England and under the power of the doctrines prevailing there.

How true this is, Mr. President! He makes the comparison:

In England since 1816 the watchword has been reduction of the note circulation; and the Americans, true to their duty, made the contraction of the currency the next war cry.

In England at that time a definite date had been provided for the resumption of specie payments; in 1875 the lawmakers of the American Union fixed the resumption of specie payments for the 1st of January, 1879.

In England, at that time in an analogous situation, the gold standard had been introduced; the Americans would probably have thought they were committing an economic sin of omission if they had neglected to follow the example of England in this respect also.

It is in this light that American events appear to me; and this mode of viewing them enables me to comprehend many things otherwise unintelligible concerning them.

After endlessly repeated experiments, which had only resulted in substituting for about one hundred million dollars of the greenbacks interest-bearing paper notes (Treasury bonds), for whose redemption no legal obligation exists—an exchange, by the way, the advantages of which are of a very doubtful nature—they gave up the further contraction of the currency in view of the murmurs of the people becoming ever more audible; all the time circulating to the gross amount of \$340,000,000, as a legal tender for the payment of customs duties, and to set aside the gold standard, through the much-assailed Bland silver bill, confidence and cash returned to the country, so that the "ragbaby" (the greenback) reached par value with coin.

Now, mark the summing up:

After a checkered series of financial experiments whose pernicious effects, as their opponents declared, did more injury to the national prosperity than the war of secession itself, not one single act of the original programme could really be carried out.

As I said yesterday, every principle upon which we started out has been abandoned, except this one single thing, the single gold standard. We have partially destroyed that, and I hope this bill will wipe out the last vestige of that.

Now, Mr. President, a little further:

To-day it is very clearly perceived in America that if they had had the wisdom and courage to allow the four hundred and thirty millions of greenbacks to circulate for the time being undisturbed, they would have come earlier into a position for securing the return of a coin circulation. But for the unwholesome shocks which the forcible contraction of the currency gave to the entire economic life of the country they would have been able long before to commence a gradual withdrawal of the paper circulation, so far as this exceeded a proper amount.

A bitter and severe experience has taught the nation that the interest of the capital represented by the national banks, which were loudest in assaults upon the greenbacks, is not always identical with the general interests of the people, and that heavy sacrifices would have been spared the country if it had followed the counsels of the venerable Carey in the question of the forced contraction of the currency, in the question of the resumption of specie payments, and in that of the gold standard more promptly than it has done.

And yet they are the gentlemen who are leading in this matter. Then he says:

Who profited by this revolution in prices, the immediate result of the rapidly increasing purchasing power and the unparalleled scarcity of gold? Only the owners of bonds, mortgages, rents, and annuities. And who lost? All other than these. Industry and agriculture alike declined, groaning under the mercilessly enforced free-trade experiments; all estates depreciated in the ratio of the increase in the value and purchasing power of gold; production was paralyzed; wages were reduced; misery and involuntary idleness spread over the country.

Abraham Lincoln described the Government of the United States as one "of the people, by the people, and for the people." But his successors have perverted it to one "of the money-lenders, by the money-lenders, and for the money-lenders."

The VICE PRESIDENT. The question is on the amendment of the Senator from Nevada [Mr. STEWART] to the amendment of the committee, on which the yeas and nays have been ordered.

The Secretary proceeded to call the roll, and Mr. ALDRICH answered to his name.

Mr. DANIEL. Has not the Senator from Nevada [Mr. STEWART] offered an amendment to the amendment, as to the legal tender?

The VICE PRESIDENT. Debate is out of order.

Mr. DANIEL. I simply ask if that is not the amendment before the Senate?

Mr. ALDRICH. Debate is not in order.

Mr. BUTLER. Inquiry is in order.

Mr. DANIEL. I am not debating.

Mr. BUTLER. I ask the Chair to state the question. We have a right to know what we are voting upon.

The VICE PRESIDENT. A change has been made in line 13; the word "and" has been taken out and the word "provided" inserted; and the words "and coin" inserted after the word "notes," in that line.

Mr. EDMUNDS. Let the amendment be reported as it stands.

Mr. REAGAN. I think the Senator had a right to modify his amendment without putting it to a vote.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. On page 5, section 4, line 18, after the word "appropriated," add the following:

That any owner of silver bullion not too base for the operations of the mint may deposit the same in amounts of the value of not less than \$100 at any mint of the United States, to be coined into standard dollars or formed into bars for his benefit and without charge; and that at the said owner's option he may receive therefor an equivalent of such standard dollars in Treasury notes to be issued by the Secretary of the Treasury in the same form and description and having the same legal qualities as the notes provided for by the act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes:" Provided, All such Treasury notes and coin issued under the provisions of this act shall be a legal tender for their nominal amount in payment of all debts, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued in the same manner and to the same extent as other Treasury notes.

Mr. COCKRELL. Why, Mr. President, is that the amendment?

The VICE PRESIDENT. That is the amendment.

Mr. COCKRELL. I was certainly told by the Chair this morning that the amendment of the Senator from Nevada that was pending was introduced on December 30, 1890, reprinted January 8, 1891, and which he has amended in line 13.

The VICE PRESIDENT. That is the one just read. The roll-call will proceed.

The Secretary resumed the call of the roll.

Mr. DOLPH (when his name was called). I am usually paired with the senior Senator from Georgia [Mr. BROWN]; I have transferred that pair to the junior Senator from New Hampshire [Mr. CHANDLER], and am now at liberty to vote. I will state that if the Senator from Georgia [Mr. BROWN] were present he would vote in favor of the amendment and I suppose the Senator from New Hampshire [Mr. CHANDLER] would vote against it.

Mr. FAULKNER (when Mr. CARLISLE's name was called). The Senator from Kentucky [Mr. CARLISLE] desires me to state that he is necessarily absent from the Senate in consequence of illness; that he is paired with the Senator from North Dakota [Mr. PIERCE]; and that if he were present he would vote "yea" upon this amendment.

Mr. DANIEL (when his name was called). I have a general pair with the Senator from Washington [Mr. SQUIRE]; but I have been informed that on this question he did not desire that pair to prevent his correspondent from voting. I therefore vote "yea."

Mr. BATE. In this connection I desire to state that the Senator from Washington [Mr. SQUIRE] is paired by arrangement with the Senator from New Jersey [Mr. BLODGETT], who, if he were present, would vote "nay" on the pending proposition. I have a letter from him.

Mr. DAWES (when his name was called). I am paired with the junior Senator from Georgia [Mr. COLQUITT], who is detained at his home on account of sickness. If he were present, I should vote "nay."

Mr. WALTHALL (when Mr. GEORGE's name was called). My colleague [Mr. GEORGE] is absent from the Chamber on account of illness. He has a general pair with the Senator from New Hampshire [Mr. BLAIR]. My colleague, if present, would vote "yea."

Mr. HALE (when his name was called). I have a general pair with the Senator from North Carolina [Mr. RANSOM]. By arrangement I have transferred that pair to the Senator from South Dakota [Mr. PETTIGREW], who is paired with the Senator from Florida [Mr. CALL]. That arrangement will enable both the Senator from Florida and myself to vote. I vote "nay."

Mr. FAULKNER (when Mr. KENNA's name was called). My colleague [Mr. KENNA] is paired with the Senator from Illinois [Mr. FARWELL]. My colleague would vote "yea," if he were present.

Mr. CASEY (when Mr. MOODY's name was called). The Senator from South Dakota [Mr. MOODY] on this question is paired with the Senator from California [Mr. HEARST].

Mr. PAYNE (when his name was called). I have a general pair with the Senator from Illinois [Mr. FARWELL]. I have, however, transferred that pair to the Senator from West Virginia [Mr. KENNA]. I vote "yea."

Mr. ALLEN (when Mr. SQUIRE's name was called). Usually, my colleague [Mr. SQUIRE] is paired with the Senator from Virginia [Mr. DANIEL]. Their votes being alike on this question, however, my colleague's pair has been transferred to the Senator from New Jersey [Mr. BLODGETT]. If my colleague were present, he would vote "yea."

Mr. VOORHEES (when his name was called). During my recent absence, I was paired with the Senator from South Dakota [Mr. MOODY]. As I understand an arrangement has been made by which that pair is transferred to the Senator from California [Mr. HEARST]. I vote "yea."

The roll-call was concluded.

Mr. CALL. I am paired with the Senator from South Dakota [Mr. PETTIGREW], but by arrangement with the Senator from Maine [Mr. HALE] that pair has been transferred. I vote "yea."

Mr. CASEY. I desire to announce that my colleague [Mr. PIERCE] is paired with the Senator from Kentucky [Mr. CARLISLE].

Mr. WOLCOTT. I should like to ask if it is by authority that the two Senators from South Dakota are paired with Senators who would vote in favor of this amendment. I ask because I am without definite information, but I have been informed that both the Senators from South Dakota are in favor of the amendment providing for free coinage.

The VICE PRESIDENT. The Chair can give no information on the subject.

Mr. HALE. By arrangement with the Senator from Florida [Mr. CALL] the pair which I have with the Senator from North Carolina [Mr. RANSOM], who, I understand, will vote for the free-coinage amendment, has been transferred to one of the Senators from South Dakota [Mr. PETTIGREW] who would vote for the amendment. He stands paired, therefore, with the Senator from North Carolina [Mr. RANSOM].

Mr. HARRIS. The Senator from North Carolina [Mr. RANSOM] would vote for the amendment if he were present.

Mr. WOLCOTT. There are circumstances why I think any member of this body should very much hesitate to pair, at least with one of the Senators from South Dakota, on this important question, without knowing very definitely that he desired to vote against it. One of the Senators from South Dakota voted for it when he was here last.

Mr. VOORHEES. I was guided in what I said in regard to the transfer of my pair with the Senator from South Dakota [Mr. MOODY] to the Senator from California [Mr. HEARST] by a conversation I had with the Senator from North Dakota [Mr. CASEY], from whom I gathered that the Senator from South Dakota could not be relied upon to vote for the amendment, but would vote against it. I have no responsibility, however, on the subject. The pair is off my hands, and I vote as I have indicated.

Mr. HALE. I only wish to say that the pair was transferred for the convenience of the Senator from Florida [Mr. CALL] and myself, who are here. The Senator from South Dakota [Mr. PETTIGREW] has a general pair with the Senator from Florida [Mr. CALL], who votes for the amendment; so that his attitude would be the same in any event, whether paired with the Senator from North Carolina [Mr. RANSOM] or the Senator from Florida [Mr. CALL].

Mr. WOLCOTT. I was not questioning the action of the Senator from Maine [Mr. HALE] in any respect whatever. I was only seeking to protect the interests of the two Senators from South Dakota, and I suggested that we should be careful about pairing them on this question without knowing exactly how they would desire to vote.

Mr. CULLOM. The Senator from North Dakota [Mr. CASEY], who is charged with the arrangement of pairs on the Republican side of the Senate, I suppose can explain this matter satisfactorily.

Mr. CASEY. Both Senators from South Dakota, when going away, left their pairs with me as they have been reported. Four or five days ago I telegraphed both of them, advising them of the pending motion and asking for instructions with regard to their votes on the question of free coinage, if they desired their pairs to be modified. I have had no reply to my telegrams, from which I infer that they do not desire to modify their previously arranged pairs. Further than that my responsibility does not extend.

Mr. FAULKNER. Mr. President, I desire to state, in reference to the pairs on this side, that they have been made in accordance with the suggestion of the Senator from North Dakota [Mr. CASEY], who has just taken his seat. I assumed that he had the authority, as I understood from him that he assumed authority to arrange the matter for the Senators who are paired, whose transfers have been announced; and, having assumed that authority, of course we on this side acquiesced in the view taken by the Senator in charge of the pairs on the other side.

Mr. PADDOCK. Mr. President, if the arguments are concluded in respect to the pairs, I should like to vote. I vote "yea."

The result was announced—yeas 42, nays 30; as follows:

YEAS—42.

Allen,	Eustis,	Mitchell,	Stanford,
Barbour,	Faulkner,	Morgan,	Stewart,
Bate,	Gibson,	Paddock,	Teller,
Berry,	Gorman,	Pasco,	Turpie,
Blackburn,	Hampton,	Payne,	Vance,
Butler,	Harris,	Plumb,	Vest,
Call,	Ingalls,	Power,	Voorhees,
Cameron,	Jones of Arkansas,	Pugh,	Walthall,
Cockrell,	Jones of Nevada,	Reagan,	Wolcott,
Coke,	McConnell,	Sanders,	
Daniel,	Manderson,	Shoup,	

NAYS—30.

Aldrich,	Edmunds,	Hoar,	Spooner,
Allison,	Evarts,	McMillan,	Stockbridge,
Carey,	Frye,	McPherson,	Warren,
Casey,	Gray,	Morrill,	Washburn,
Cullom,	Hale,	Platt,	Wilson of Iowa,
Davis,	Hawley,	Quay,	Wilson of Md.
Dixon,	Higgins,	Sawyer,	
Dolph,	Hiscock,	Sherman,	

ABSENT—16.

Blair,	Chandler,	George,	Pettigrew,
Blodgett,	Colquitt,	Hearst,	Pierce,
Brown,	Dawes,	Kenma,	Ransom,
Carlisle,	Farwell,	Moody,	Squire,

So the amendment of Mr. STEWART to the amendment of the Committee on Finance was agreed to.

The VICE PRESIDENT. The question is now on agreeing to the amendment of the committee as amended.

Mr. STEWART. I move to strike out the committee's amendment, beginning with the word "that," on page 4, line 1, section 4, down to and including the word "whatever."

Mr. HOAR. What the Senator proposes to strike out is a distinct amendment itself.

Mr. HARRIS. Does the Senator refer to the word "whatever" in line 15, on page 5?

Mr. BUTLER. Yes; he moves to strike out the whole of it.

Mr. PLUMB. I move an amendment to come in at the close of section 3, as a new section.

Mr. SHERMAN. The amendment of the Committee on Finance as amended is not adopted yet. That is section 4.

The VICE PRESIDENT. The question now is on agreeing to the amendment of the committee as amended.

Mr. GORMAN. Now, Mr. President—

Mr. PLUMB. I move an amendment, as I said, to come in as a separate section.

The VICE PRESIDENT. The Senator from Maryland has been recognized.

Mr. STEWART. If the committee amendment is to be acted upon I desire to move to amend the committee amendment by striking it all out down to and including the last word.

Mr. CULLOM. I rise to a question of order.

The VICE PRESIDENT. The Senator will state his point of order.

Mr. CULLOM. My point of order is that the Chair has recognized the Senator from Maryland [Mr. GORMAN], so that the Senator from Nevada is out of order.

Mr. EDMUNDS. Will the Chair state the exact question?

The VICE PRESIDENT. The question is on the amendment to the amendment of the committee.

Mr. EDMUNDS. Let that amendment be reported before debate goes on, and then it will show what we are debating.

Mr. STEWART. Allow me, Mr. President, to rise to a question of order.

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Nevada?

Mr. GORMAN. Certainly.

Mr. STEWART. Am I in order in moving to strike out all that portion of the committee amendment down to and including the word "whatever" in line 15?

The VICE PRESIDENT. The Senator is in order.

Mr. HARRIS. Let that amendment be reported.

The VICE PRESIDENT. The amendment to the amendment will be reported.

The CHIEF CLERK. On page 4, in section 4, strike out, after the word "that," down to and including the word "whatever," on page 5, the words to be stricken out being the following:

The Secretary of the Treasury is hereby authorized to issue, in a sum or sums not exceeding in the aggregate \$200,000,000, coupon or registered bonds of the United States, in such form as he may prescribe, and of denominations of \$50 or some multiple of that sum, redeemable in lawful money at the pleasure of the United States, on and after July 1, 1900, and bearing interest payable semiannually in such money at the rate of 2 per cent. per annum. And he is authorized to sell or dispose of any of the bonds issued under this act at not less than their par value for any lawful money of the United States, or for gold or silver certificates, and to apply the proceeds thereof to the redemption of or to the purchase of any of the bonds of the United States, and for no other purpose whatever.

Mr. DANIEL. Will the Senator from Nevada allow me to make an inquiry? Why not move to strike out the whole section? The other four lines of the section seem to be consequential upon those which he moves to strike out, and would be surplusage if they remained in the bill. Why not make a motion to strike out the whole of the fourth section, instead of leaving in the last four lines?

Mr. STEWART. I want the appropriation in. Let us take a vote on striking it out.

Mr. PLUMB. It can not be stricken out because it is not in. The only thing we can take a vote on is the amendment as offered.

Mr. STEWART. Then I will adhere to my amendment to the amendment.

Mr. GORMAN. The Senator from Nevada offered an amendment for free coinage which came in after the word "appropriated" in line 13, page 5. As it stands now it is a part of the amendment proposed by the Committee on Finance. Now the only way you can reach it is by the motion submitted by the Senator from Nevada, to still further amend the amendment by striking out everything after section 4, page 4, down to and including the word "appropriated" in line 18, page 5. If that is stricken out, then the amendment of the Senator from Nevada, which was just voted on, will stand by itself, a pure, naked proposition. I therefore renew the motion to strike out everything from the word "that" down to and including the word "appropriated" on page 5.

Mr. STEWART. I accept that.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nevada. Is the Senate ready for the question?

Mr. HOAR. I should like to inquire of the Chair as to the correctness of the statement of the Senator from Maryland. Was the amendment just adopted by the Senate offered as an amendment to the fourth section?

The VICE PRESIDENT. It was.

Mr. HOAR. Or was it offered as an amendment to come in after the fourth section?

The VICE PRESIDENT. It comes in after line 18, on page 5.

Mr. PASCO. I would ask if a part of the committee's amendment is not to strike out section 4, beginning on page 3. Will a member of the committee state whether that is not the amendment of the committee?

Mr. SHERMAN. The committee's amendment is printed in italic.

Mr. PASCO. Is it not simply to strike out and insert?

The VICE PRESIDENT. That is the first amendment of the committee, in line 3.

Mr. PASCO. By turning to page 3 of the bill it will be seen that there are marks of erasure beginning at section 4, in the first line, and to strike out that I understand is a part of the committee's proposition. Then, if the motion of the Senator from Nevada prevails, all that will be restored.

Mr. COCKRELL. Not at all.

Mr. HARRIS. If the Senator will allow me, the amendment proposed by the committee is an amendment to strike out the fourth section as it appeared in the original bill and insert what appears in italics. The Senate has, by a vote a few minutes since, added to the italicized part, or to that part of the amendment that was to be inserted, and that amendment has become a part of the pending amendment of the committee to be inserted. Now, the Senator from Missouri proposes to strike out down to and including the word "appropriated," I believe, in line 18, which is really all of the part that the committee originally proposed to insert.

Mr. HOAR. If the Senator from Tennessee will pardon me, I do not understand that it is so recorded or entered at the Clerk's desk.

Mr. PASCO. Neither do I.

Mr. HOAR. That was a separate amendment.

Mr. HARRIS. I may be incorrect in that, but I understood that the Senator from Nevada moved to amend that part of the committee's amendment.

The VICE PRESIDENT. The Chair understands that the amendment proposed by the Senator from Nevada now extends to line 15, page 5, to the word "whatever."

Mr. BUTLER. He has modified that.

Mr. GORMAN. At my suggestion he modified it; he accepted my modification.

The VICE PRESIDENT. The Chair understood that the Senator objected to the modification.

Mr. STEWART. No; I accepted it.

Mr. HOAR. I do not understand that any motion was ever made to amend the committee's amendment, and it has not been amended, it has not been acted upon. This motion, as appears in print at the Clerk's desk, was to insert a separate amendment at a particular point in the bill, to wit, at the end of section 4. That was not an amendment of the committee's amendment, but was a separate amendment, moved by the Senator from Nevada [Mr. STEWART] and voted on. Therefore, the committee's amendment is a separate and independent proposition. If the Senator wants to get rid of it, the simple way is to vote "nay" upon it as a proposition.

Mr. HARRIS. The difference between the Senator from Massachusetts and myself is a difference of understanding as to a fact. My understanding is that the Senator from Nevada [Mr. STEWART] moved to amend that part of the committee's amendment that was to be inserted. The Senator from Massachusetts understands the Senator from Nevada as having offered the language that was offered by him as a separate and distinct and independent amendment.

Mr. HOAR. Let it be reported at the Clerk's desk.

Mr. HARRIS. Let us determine the question of fact, and then we shall know exactly what we were voting on.

The VICE PRESIDENT. The amendment will be reported.

The CHIEF CLERK. On page 5, section 4, line 18, after the word "appropriated," add the following—

Mr. ALLISON. Mr. President, I have before me the printed amendment, which it has been stated many times upon this floor here is the amendment that we have been voting upon, and it reads in this way: "Proposed by Mr. STEWART to the amendment reported by the Committee on Finance."

Mr. HOAR. Then I was mistaken.

Mr. STEWART. Then I renew my motion. I ask that the question be put on my amendment to strike out.

The VICE PRESIDENT. The question is on the amendment of the Senator from Nevada to strike out certain words from the amendment of the committee.

Mr. DANIEL. Mr. President, as I understand the matter now, this is a proposition to strike out the fourth section of the bill as reported from the Committee on Finance. It seems to me that this section ought to be stricken out of the bill for the simple reason that it contemplates

a donation by the people of the United States of currency to those who have already the right to issue 90 per cent. of currency upon their bonds. I style it a donation because it is a gift to the bondholders of the United States, based on no consideration whatever, emanating from them. At a time when the national banks were being built up in order to meet a governmental exigency and for the purpose of sustaining the credit of the Government and supplying the people with a uniform currency, it was provided that those who subscribed to the national debt should have the right, under regulations of the national-banking system, to be furnished with 90 per cent. of currency, according to the face value of their bonds. This proffer on the part of the United States to grant this currency to the bondholders was partly the consideration that entered into the inducement to cause the citizens to invest in the bonds.

Now, Mr. President, by reason of this special privilege, of credit to the bondholders of the United States, their property has gradually enhanced in value, and has gone to so great a premium that \$54,000,000 of the people's money has been paid out of the Treasury of the United States in premiums alone upon the investments, many of which were made below par and all of which have gone to that extent above par.

While it was appropriate to tender this inducement to the investors in order to induce the investment, it is eminently inappropriate for the Government to donate so great a privilege when it has already built up the value of its bonds so high that, as we are told in the reports of the Treasury, the enormous rate which they bring is breaking down the system upon which they are, in a measure, based.

There is another element of impropriety in increasing the privilege accorded to outstanding bonds held by national banks at the present instant. In another section of this bill it is provided that the loan of \$200,000,000 shall be negotiated at 2 per cent. and that the funds derived from that negotiation shall be applied to the exclusive purpose of buying in these outstanding bonds of the United States; and I ask the attention of Senators to this most singular fact, that on one page of this bill we are according privileges to bonds which will enhance their value in the market, and on the next page are instructing our agents to take money which we are to borrow and go out and buy bonds. If that is not an inconsistent relation for the Government to occupy towards the people, for whom it is the trustee, I confess that I shall have to learn from a new law book, which was not written at the time when I had the honor first to dip into the jurisprudence of my country, for new definitions of what constitutes a breach of faith.

Mr. President, if any personal trustee, acting as a fiduciary for an estate or for an absent principal, were to undertake with one hand to go up and boom the value of property in the market, and, on behalf of that absent principal, were to instruct his agent at the same time to go out and buy it, there is not an honest chancellor in Christendom who would not dismiss him from his fiduciary character and have him arraigned before his bar for a dishonest transaction in the absence of the principal whom he represented. And yet, Mr. President, it is gravely proposed to the Senate and the Congress of the United States that your Secretary of the Treasury shall be instructed to put his hands into the people's purse and issue 10 per cent. of currency based upon their credit, make a gracious gift, without a consideration of any kind, of that currency to a class of persons who are already bloated with what they have already gotten from the Government, and then tell him to go out into the market and buy at a premium a thing which you have just given away. Who can defend that as a transaction of honesty? What man is it, taught in the simplest elements of morality and fair dealing, whose conscience does not instantly revolt at such a proposition? Who does not see that it is wrongful and a breach of trust the very moment the sunlight falls across it?

If the reports of our financial ministers be correct, there can be no excuse at the present time for bolstering up the value of bonds in the hands of national banks. They are already at 120 premium, or something of that kind. In the report of the Secretary of the Treasury, from which I read, Congress is advised that one of the difficulties now in the continuation of the national-banking system is not the low price, but the high price of bonds. I read from the language of the Secretary of the Treasury in his report for the current year, on page 38—

THE VICE PRESIDENT. The Senator's time has expired.

Mr. ALDRICH. I think perhaps, in behalf of the Committee on Finance, I ought to say a few words in regard to the nature of the transaction which is provided for in the sections proposed to be stricken out.

The United States has now outstanding in the neighborhood of \$560,000,000 4 per cent. bonds payable in 1907. Notwithstanding the propositions of various kinds which have been made on this floor to-day, no man has suggested up to this time that the United States shall repudiate its obligations to pay the interest at 4 per cent. and to pay the principal of these bonds at maturity in 1907.

This is a proposition to refund \$200,000,000 of these bonds into a 2 per cent. bond payable at the option of the Government after 1900 and to use the proceeds of the sales of those bonds to pay the principal of the 4 per cent. bonds.

Mr. DANIEL. Will the Senator allow me to ask him a question?

Mr. ALDRICH. Certainly.

Mr. DANIEL. I can see no propositions in this bill to refund them, but there is a proposition to borrow money and buy them.

Mr. ALDRICH. There is a proposition to sell \$200,000,000 of bonds at not less than par, bearing 2 per cent. interest, payable after 1900 at the option of the United States and to use the proceeds of the sale—

Mr. DANIEL. That is what I say, to borrow money and buy the bonds.

Mr. ALDRICH. There is no question of borrowing money at all. It is a sale of bonds for money.

Mr. DANIEL. If that is not borrowing money, I would like to know what it is.

Mr. ALDRICH. That money is to be used to buy 4 per cent. bonds. That is merely an exchange.

Mr. DANIEL. I wish to ask the Senator a question.

Mr. ALDRICH. If the Senator will pardon me, I should like to go on for a moment.

Mr. DANIEL. I beg pardon.

Mr. ALDRICH. It is not and can not be anything else than an exchange of 4 per cent. bonds for 2 per cent. bonds upon the terms named in this bill.

Mr. GRAY. Who is going to exchange them?

Mr. ALDRICH. The Secretary of the Treasury.

Mr. GRAY. But will the holder of the 4 per cent. bonds exchange them for 2 per cent. bonds?

Mr. ALDRICH. That is another question. I am now discussing what the proposition is. Whether it will be effective or not, whether any holder of 4 per cent. bonds will sell his bonds and whether anybody will buy 2 per cent. bonds is another and a distinct proposition. I am only explaining now the proposition as presented in this amendment.

Let us see what the effect would be upon the Government of the United States. I have a letter from the Government actuary in answer to a question which I asked of him two or three days ago, which I will read:

OFFICE OF THE GOVERNMENT ACTUARY,
UNITED STATES TREASURY DEPARTMENT,
Washington, D. C., January 8, 1891.

DEAR SIR: In answer to your letter of the 8th instant, requesting "a statement of the yearly profit that would accrue to the United States if we could buy the outstanding 4 per cents. at each of the following rates, namely, 121, 122, 123, 124, and 125, provided we could sell an equal amount of 2 per cents. running the same length of time at par," I send the inclosed table.

The total outstanding of the United States 4 per cent. bonds was, January 1, 1891, \$559,742,700. The present worth of all interest saved to the Government would be, January 1, 1891, \$156,999,319.26.

The first column of the table shows the cost or premium that the Government would pay for the bonds refunded. The second column shows the present worth, January 1, 1891, of the net saving to the Government by the operation. The third column shows the amount payable quarterly, which would be represented by these net savings; in other words, the amount saved to the Government quarterly by the proposed funding operation.

In these calculations the par value of the total amount of 2 per cent. bonds issued is assumed to be equal to the par value of the 4 per cent. bonds now outstanding, namely, \$559,742,700; also, money is considered as being worth 2 per cent. and compounded quarterly.

Respectfully yours,

JOS. S. MCCOY, Acting Government Actuary.

Hon. N. W. ALDRICH,
United States Senate.

Here is the table to which he refers:

Price paid for bonds.	Cost of refunding.	Present worth of saving, January 1, 1891.	Quarterly saving.
121.....	\$117,545,967	\$39,453,352.26	\$703,306.42
122.....	123,143,394	33,855,925.26	603,525.13
123.....	128,740,821	28,258,498.26	503,743.84
124.....	134,338,248	22,661,071.26	403,962.55
125.....	139,935,675	17,063,644.26	304,181.26

The obligations of the Government would not be changed at all. It is simply a question of dollars and cents, the saving this amount of money.

I am quite well aware that an argument of that kind does not appeal to gentlemen here on a question where Government bonds are concerned, but I say that it is a strange outrage that the representatives of the people of the United States are not willing to save \$39,000,000 on account of a prejudice against the bondholder or a prejudice against the possible use these bonds may have. There is not a business man in existence who, if he could make that change, would not do it in five minutes, and there is not one excuse—

Mr. DANIEL. Does the Senator object to answering a question?

Mr. ALDRICH. When I get through I shall not object.

There is not a single excuse for the rejection of this proposition by the Senate of the United States except one of prejudice.

Mr. STEWART. I know of no guaranty that these bonds will be bought at 121. If we should sell \$200,000,000 of bonds—

Mr. ALDRICH. That was not my statement.

Mr. STEWART. If we should sell \$200,000,000 of these bonds and go into the market for the 4 per cent. bonds, they would necessarily be very much enhanced in value and the saving the Senator speaks of would dwindle down.

Mr. HISCOCK. Will the Senator state why they would be enhanced?

Mr. STEWART. Because there would be demand for them. The price of bonds as well as other things depends upon demand and supply.

Mr. HISCOCK. Why would there be a demand for them when national banks would use 2 per cent. bonds to base currency upon? On the contrary, your 2 per cent. bonds would prevent a corner and make a larger volume on which the national banks could procure bonds and make deposits. The effect of it would be to reduce the price.

Mr. STEWART. When the Senator from New York says that if the Government of the United States goes into the market and buys \$200,000,000 of those outstanding bonds it will not put up the market he denies the ordinary rules of trade. Of course it would put up the market if you have to buy \$200,000,000 of these bonds if there was a steady market for them. There would be a large bonus to the bondholders to fix the price as they pleased if we were bound to sell the 2 per cent. bonds and buy 4 per cent. bonds. They could be used for no other purpose. They would be used to buy the 4 per cent. bonds at whatever price the bondholders might ask for them.

Another thing: The object of these bonds is to form a basis of national-bank circulation, so as to increase the paper circulation of the country. If that is to be increased, let it be increased by legal-tender notes issued by the Government that will cost the Government nothing. When you come to the question of refunding the national debt, let it be separate from the requirement of a bond as the basis of national-bank circulation. If the debt is to be paid by the issuance of paper, issue legal-tender paper and pay it, and stop the interest altogether. But if this is simply a device to give the national banks another subsidy, I am opposed to it. I see nothing else in it. Why should we give them a subsidy to issue a paper on credit? Does anybody contend that the national-bank notes, resting alone for their value upon the credit of the Government, are any better than legal-tender notes resting upon the same basis?

Senators do not fear expansion if it comes by way of paper issued by the national banks, but when you speak of expanding the currency by one dollar by the use of silver they tell us it will drive gold out of the country and work incalculable injury. If silver certificates or silver money will drive gold out of the country, why is it? Because it expands the currency. If it will do that, how much more will paper drive gold out of the country? That has been done frequently, and always will happen. Gold will go out of circulation when you issue a volume of paper sufficient to do the business of the country. The Senate has already voted for free silver, and if you put this provision in the bill, and produce evil results by the issuance of paper by the banks, you will charge the whole trouble to silver.

Let free coinage stand alone. Do not inflate your currency by a subsidized issue any longer if you do not want inflation, and if that is what you are fighting against. Inflation is what the arguments have all been made against. Now a proposition is made to inflate the currency by \$200,000,000, if we will give the banks a subsidy. The simple proposition here is to allow a person having \$100,000 to invest it in these 2 per cent. bonds, deposit the bonds in the Treasury, draw his \$100,000, and get interest from the Government without the investment of a dollar of his own money. That is the proposition, because your own proposition is that he shall have circulation dollar for dollar. The end of it nobody knows.

Mr. SHERMAN. Mr. President, I suppose that the very decisive vote of the Senate has fixed the fate of the whole bill, and I think, therefore, we are wearying ourselves uselessly in staying here discussing the various propositions contained in the bill.

I certainly will not vote under free coinage, if that system is to prevail, for the sale of 2 per cent. bonds. Indeed, I doubt very much whether the sale could be effected, with my view of it. Besides, I feel that if Congress shall adopt a policy of free coinage I do not want to embarrass it with any other scheme which seems to be inconsistent with it, because you will certainly get enough money and have paper money in abundance, according to my theory, and I do not want to add to the volume of currency by the issuing of national bank-note paper hereafter.

My own advice would be that no banks should be organized, because the purchase of silver will no doubt furnish an ample and sufficient increase of paper money. I believe, therefore, I shall vote—and I think the Senator had better make the motion at once—to strike out all these sections because they are framed on a different theory. This bill is framed on the theory embraced in the bill of last year. For instance, the first section ought to be stricken out as a matter of course, because the holders of the bullion which has been hoarded for the last few months will go at once to the Treasury after the passage of a free-coinage bill and get \$1.29 for each ounce. That ought to be stricken out. So should the second and the third sections be stricken out, and so on. As for the amendment which has been reported from the committee, that fell as a matter of course on the adoption of the free-coinage amendment.

I shall vote, therefore, for the amendment of the Senator from Nevada, but I would rather make it a wholesale job at once and strike out all

the bill except that part in relation to free coinage. There is nothing in the bill that I see but what is framed upon a different idea from the simple idea of the bill originally.

Mr. McPHERSON. Will the Senator permit me to ask him a question?

Mr. SHERMAN. Certainly.

Mr. McPHERSON. Would it not be well to retain that section of the bill which requires an international conference, because that relates to a change of the ratio?

Mr. SHERMAN. Does not the Senator from New Jersey know that, as a matter of course, if we start out on the free coinage of silver, the idea of a conference would be simply absurd?

Mr. McPHERSON. I think it is altogether wiser to hold out every inducement possible for other nations to join us and for us to express our willingness at any time to adopt any reasonable ratio which other nations will agree to.

Mr. SHERMAN. I think, if we try the experiment, we had better try it alone, but I do not think it is worth while for us to enter upon the experiment and afterwards call upon other nations to come in and help us out.

Mr. McPHERSON. Certainly every other section seems to me entirely inconsistent with the other amendment which has been adopted. For instance, here are trade dollars. One section makes provision for recoinage trade dollars. I presume the Senator from Nevada and those who agree with him will insist that the trade dollar be coined into silver coin and also all the fractional currency.

Mr. SHERMAN. That can be done under existing law.

Mr. McPHERSON. It seems to me the entire bill ought to be stricken out.

Mr. SHERMAN. I think the entire bill ought to be stricken out. That, I think, is the general sentiment of the Committee on Finance, that framed the bill.

Mr. ALLISON. I suggest to the Senator from Ohio that sections 8 and 9 are matters of detail, which are useful. They are recommendations respecting details which I think are wise.

Mr. SHERMAN. I think probably sections 8 and 9 are convenient to the Treasury Department, but they are not very important.

Mr. ALLISON. The law now requires trade dollars to be coined, so I do not think there will be any difficulty about striking out section 7.

Mr. EVARTS. I ask that sections 8 and 9 be read.

The VICE PRESIDENT. The sections will be read.

The Chief Clerk read as follows:

SEC. 8. That paragraph 8 of chapter 327 of the Supplement to the Revised Statutes of the United States, which requires that refining and parting of bullion shall be carried on at the mints of the United States and at the assay office at New York, be amended by inserting, after the word "law," in the fourth line, the following words: "and from the proceeds of the sale of by-products resulting from the operations of the refinery;" so that the paragraph shall read:

"And it shall be lawful to apply the moneys arising from charges collected from depositors for these operations pursuant to law, and from the proceeds of the sale of by-products resulting from the operations of the refinery, so far as may be necessary, to the defraying in full of the expenses thereof, including labor, materials, and wastage."

SEC. 9. That an act to authorize the receipt of the United States gold coin in exchange for gold bars, approved May 26, 1882, be amended to read as follows:

"That the superintendents of the coinage mints and of the United States assay office at New York may, with the approval of the Director of the Mint, but not otherwise, receive United States gold coin from any holder thereof, in sums of not less than \$5,000, and pay and deliver in exchange therefor gold bars in value equaling such coin so received: *Provided*, That the Director of the Mint, with the approval of the Secretary of the Treasury, may impose for such exchange a charge which in his judgment shall equal the cost of manufacturing the bars."

Mr. STEWART. I should like to have action on my amendment.

The VICE PRESIDENT. The question is on the amendment of the Senator from Nevada. Is the Senate ready for the question?

Mr. STEWART. Let us have a vote on that and then we will get rid of that question.

Mr. DANIEL. Mr. President—

The VICE PRESIDENT. The Senator from Virginia has spoken once on this amendment.

Mr. DANIEL. I move to strike out the words "two hundred million" and insert "two hundred and one million," in section 4.

The VICE PRESIDENT. The Senator from Virginia is at liberty to proceed upon his amendment to the amendment.

Mr. DANIEL. Mr. President, I asked the Senator from Rhode Island [Mr. ALDRICH] a question, hoping to get from him a frank and candid answer that he has been pleased not to give. On the contrary, he has not only evaded the question which I put to him, but has shown, as I conceive, a purpose to evade it, to run off and talk about prejudices against national banks. I said not a word against national banks, neither did I say anything against this loan. What I did say was that I did not perceive how it was honest for this Government, acting as a trustee for the people, to give something to a bond in one moment, and in the next instruct its agent to go out and buy that bond at its appreciated value. This may be due on my part to prejudice, but I have had a prejudice of such long standing against duplicity that it is not one that I can hope at this time to overcome.

I have a prejudice against seeing anybody, whether it is a chartered bank or an individual, put his arm into the people's Treasury and take

out money for his personal advantage, and when you come to analyze this proposition it is nothing more and it is nothing less. I read from the recent report of the Secretary of the Treasury, page 38:

The Comptroller—

Says the Secretary—

again calls attention to the fact that the issue of circulating notes has become unremunerative, on account of the high premium commanded by the bonds of the United States, and renews his recommendations of last year, in which I concur, that the obligatory deposit of bonds be reduced, that circulation be issued equal in amount to the par value of the bonds pledged, and that the semiannual duty thereon be fixed at one-fourth of 1 per cent. per annum.

Mr. President, here is from the Secretary of the Treasury a statement that the inefficiency of these bonds to subserve the purposes of national banks has arisen from the high premium which they command, and while I shall never be a party to attempting to run down Government credit in any direction, neither shall I be a party when the Government has established its credit in so high a degree to donate that credit to those to whom we do not owe it, and to add to the value of a thing which I am using the people's money to buy.

The Senator from Rhode Island can not shift the issue which I make with him if he chooses to evade the question because he can not answer it. It may be expedient for him to do so, but I repeat, so that he and the Senate and everyone who cares to heed my words can understand it, that on one page of this bill there is a proposition to give the currency of this people to national bondholders without consideration at the very time when you are seeking to draw in the very bonds to which that credit is given, and it will be the inevitable effect of taking money out of the people's pockets and giving it to those to whom we do not owe it.

The Senator can not make any insinuation at me that I am actuated by prejudice against national banks. I decline to submit for him to pass judgment upon my character, or my opinions or prejudices or feelings, when I have not indicated them either by argument or by action. He may have such a prejudice in favor of bondholders that he is ready to turn the Treasury in a sluice into their pockets, and if he possesses such a prejudice he has a most plain and conspicuous way of manifesting its possession in supporting that part of the text of this bill.

Mr. President, whatever may be the fate of this bill, whether silver be in it or silver be out of it, it is not a righteous or just transaction for the Congress of the United States to take this money of the people and make a clean, clear gift of it to those to whom we are not only paying what we contracted to pay, but to those whose values have been added up 20 per cent. above par. There is no justice in it; no policy in it; no propriety in it; and I trust that the Senate will strike out that section of the bill.

The VICE PRESIDENT. The Chair understands the Senator from Virginia to withdraw his amendment.

Mr. DANIEL. Yes, sir.

The VICE PRESIDENT. The question is on the amendment of the Senator from Nevada [Mr. STEWART] to the amendment of the Committee on Finance.

Mr. PASCO. The pending amendment is the amendment offered by the Senator from Virginia, is it not?

The VICE PRESIDENT. That was withdrawn. The question is on the amendment proposed by the Senator from Nevada, on page 4, to strike out section 4 as reported by the committee.

Mr. BUTLER. On that I ask for the yeas and nays.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. DAWES (when his name was called). I am paired with the Senator from Georgia [Mr. COLQUITT].

Mr. WALTHALL (when Mr. GEORGE's name was called). My colleague [Mr. GEORGE] is paired with the Senator from New Hampshire [Mr. BLAIR].

Mr. HALE (when his name was called). Under the arrangement of pairs indicated when the previous vote was taken, I vote "nay."

Mr. FAULKNER (when Mr. KENNA's name was called). My colleague [Mr. KENNA] is absent necessarily from the Senate, and is paired with the Senator from Illinois [Mr. FARWELL].

The roll-call was concluded.

Mr. CASEY. I desire again to announce the pair of my colleague [Mr. PIERCE] with the Senator from Kentucky [Mr. CARLISLE].

Mr. BATE. I wish to announce the pair of the Senator from New Jersey [Mr. BLODGETT] with the Senator from Washington [Mr. SQUIRE].

Mr. EVARTS (after having voted in the affirmative). I observe that the Senator from Alabama [Mr. MORGAN], with whom I am paired, is not in his seat. I withdraw my vote.

Mr. PUGH. I inquire how the Senator from New York [Mr. EVARTS] voted?

The VICE PRESIDENT. In the affirmative.

Mr. PUGH. I desire to state to him that my colleague [Mr. MORGAN] would vote the same way, and the Senator from New York is at liberty to vote.

Mr. EVARTS. If there is no quorum I am at liberty to vote. I vote "nay."

Mr. DANIEL (after having voted in the affirmative). Before the result of the vote is announced, I beg leave to state that I have a general pair with the Senator from Washington [Mr. SQUIRE]; but from information given me by the Senator from North Dakota [Mr. CASEY] I take it that on this amendment in the interest of silver I am privileged to vote as I have done. If there is any exception to that it can be stated.

Mr. BATE. That pair has been transferred. I announced it.

Mr. EVARTS (after having voted in the negative). As I understand there is a quorum voting, I withdraw my vote.

The result was announced—yeas 48, nays 19; as follows:

YEAS—48.

Allen,	Daniel,	McConnell,	Stanford,
Allison,	Davis,	McMillan,	Stewart,
Barbour,	Eustis,	McPherson,	Stockbridge,
Bate,	Faulkner,	Manderson,	Teller,
Berry,	Gibson,	Mitchell,	Turpie,
Blackburn,	Gorman,	Paddock,	Vest,
Butler,	Gray,	Pasco,	Vance,
Call,	Hampton,	Payne,	Voorhees,
Casey,	Harris,	Plumb,	Walthall,
Cockrell,	Ingalls,	Pugh,	Washburn,
Coke,	Jones of Arkansas,	Sherman,	Wilson of Md.
Cullom,	Jones of Nevada,	Spooner,	Woolcott.

NAYS—19.

Aldrich,	Edmunds,	Hoar,	Sanders,
Cameron,	Frye,	Morrill,	Sawyer,
Carey,	Hale,	Platt,	Shoup,
Dixon,	Hawley,	Power,	Wilson of Iowa.
Dolph,	Higgins,	Quay,	

ABSENT—21.

Blair,	Dawes,	Kenna,	Reagan,
Blodgett,	Evarts,	Moody,	Squire,
Brown,	Farwell,	Morgan,	Warren.
Carlisle,	George,	Pettigrew,	
Chandler,	Hearst,	Pierce,	
Colquitt,	Hiscock,	Ransom,	

So the amendment to the amendment was agreed to.

Mr. STEWART. I now ask to add the following to the fourth section—

Mr. BUTLER. Will the Senator allow me to offer a resolution by way of giving notice?

Mr. STEWART. Certainly.

EIGHT-HOUR LAW.

Mr. BUTLER. I offer a resolution, Mr. President, and give notice that I shall call it up at the proper time.

The VICE PRESIDENT. The resolution will be read.

The Secretary read the resolution, as follows:

Resolved, That when the bill now under consideration shall have been disposed of the Senate will proceed to the consideration of House bill 11120, providing for the adjustment of accounts of laborers, workmen, and mechanics arising under the eight-hour law.

Mr. HOAR. I object.

Mr. BUTLER. The Senator can not object to my offering it.

Mr. HARRIS. Let it be printed and go over.

The VICE PRESIDENT. Objection being made, the resolution will be printed and go over.

Mr. ALDRICH. I understand the Senator from Massachusetts to object to the reception of the resolution at this time.

Mr. HALE. It is not before the Senate at all.

Mr. HOAR. It can only be offered in the morning hour.

Mr. BUTLER. I can offer a resolution at any time. I ask that the resolution be printed and go over. I give notice then—

Mr. HOAR. It can not be before the Senate.

Mr. BUTLER. Then I have had it read for information, and I give notice that I shall call it up when the pending bill is disposed of. I have a right to do that, I suppose.

Mr. HOAR. In the morning hour.

Mr. BUTLER. I have already done it, whether I have the right or not.

The VICE PRESIDENT. Objection is made.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. MCPHERSON, its Clerk, announced that the House had passed a bill (H. R. 12573) making appropriations for the support of the Army for the fiscal year ending June 30, 1892, and for other purposes; in which it requested the concurrence of the Senate.

The message also announced that the House had concurred in the amendment of the Senate to the bill (H. R. 4403) for the erection of a public building at Akron, Ohio.

AMENDMENT TO A BILL.

Mr. HARRIS submitted an amendment intended to be proposed by him to the bill (H. R. 9602) to establish the customs district of Tennessee, and for other purposes; which was ordered to be printed and lie on the table.

COIN AND CURRENCY.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 4675) to provide against the contraction of the currency, and for other purposes.

Mr. STEWART. I now ask for the reading of the amendment I have proposed.

Mr. INGALLS. Where does the amendment come in?

Mr. STEWART. At the end of my previous amendment to the fourth section.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to add to the fourth section the following:

And the sum necessary to carry the provisions of this section into effect is hereby appropriated out of any money in the Treasury not otherwise appropriated.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Nevada to the amendment of the committee as amended.

The amendment to the amendment was agreed to.

Mr. STEWART. Now let the amendment as amended be adopted.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

Mr. INGALLS. Can it not be read now as it stands? I should like to hear what we are now to vote on.

The VICE PRESIDENT. The amendment as amended will be read.

The CHIEF CLERK. On page 3, it is proposed to strike out all down to and including the word "notes," in line 32, on page 4, and insert in lieu thereof the following:

That any owner of silver bullion not too base for the operations of the mint may deposit the same in amounts of the value of not less than \$100 at any mint of the United States, to be coined into standard dollars or formed into bars for his benefit and without charge; and that at the said owner's option he may receive therefor an equivalent of such standard dollars in Treasury notes to be issued by the Secretary of the Treasury in the same form and description and having the same legal qualities as the notes provided for by the act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes." *Provided*, All such Treasury notes and coin issued under the provisions of this act shall be a legal tender for their nominal amount in payment of all debts, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued in the same manner and to the same extent as other Treasury notes.

And the sum necessary to carry the provisions of this section into effect is hereby appropriated out of any money in the Treasury not otherwise appropriated.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

Mr. ALLISON. Now, I move to strike out the first section and the fifth section.

Mr. PLUMB. Do not let us have two things at once. The Senator is a little impetuous.

Mr. ALLISON. I am not impetuous at all. I move to strike out the first and fifth sections.

The VICE PRESIDENT. The amendment will be reported.

The CHIEF CLERK. It is proposed to strike out section 1—

Mr. PLUMB. I think I have offered an amendment to take the place of section 1. I want to strike out the first section, but I thought I would offer a substitute for it.

The VICE PRESIDENT. The Chair understood that the amendment offered by the Senator from Kansas was to come in after section 3.

Mr. PLUMB. I offered a substitute for the first section some days ago.

The VICE PRESIDENT. That is another amendment, and it will be stated.

The CHIEF CLERK. It is proposed to strike out section 1 and to insert the following:

That the compulsory requirement of deposits of United States bonds with the Treasurer of the United States by national banks is hereby limited in amount to \$1,000 of bonds for each and every national bank: *Provided*, That this act shall not apply to the deposits of bonds which may be required by the Secretary of the Treasury to secure deposits of public moneys in the national banks.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Kansas [Mr. PLUMB].

Mr. SHERMAN. That is an amendment of great importance, and really if it be insisted upon to-night it will require considerable discussion. I suppose we are under the ten-minute rule now, but I wish Senators to understand why this provision was in this bill at its first appearance. Yet upon a careful examination and with the certainty of the result that will come it was limited in its operation to the banks having a capital of only \$50,000. Under the operation of this proposed amendment of the Senator from Kansas all the great banks will surrender their bonds and reduce them to \$1,000, and will surrender their circulation as well under the present law. Under the present law as it stands every bank has to take a certain portion of its capital in United States bonds, the lowest \$12,500. A bank of \$50,000 capital ranges from that up, I think.

Mr. TELLER. From \$25,000 to \$50,000.

Mr. SHERMAN. It is \$50,000 for a large bank. I think, therefore, the effect of that measure taken by itself, unless it is connected with some provision giving the banks some facilities to increase their circulation, might work a contraction of the currency to the extent of the bonds.

After considerable examination I thought it was not safe to do it, and especially since the provision about \$200,000,000 of bonds is stricken out. That it was expected the banks would take, though many of them would sell their 4 per cent. bonds and take the 2 per cent. bonds and continue to maintain the volume of currency they have now outstanding. But that being stricken out, and there being no means by which a bank could get circulation except by 4 per cent. bonds at a premium of 120, there would be no object for any national bank to start with a view to circulation; and this provision of the Senator from Kansas would induce all the banks who have bonds now and desire to sell them to sell them without respect to the amount of circulation.

Many of them have no circulation and have \$50,000 of bonds in hand. All that would tend to reduce the circulation of the national banks rapidly, and might make money just at this time a little stringent. I do not know to what extent and I cannot say to what extent these banks will retire their bonds. I think the amount of bonds held by the Government for the national banks is about one hundred and sixty or one hundred and seventy million dollars; I can not state the amount exactly, for I did not think the question would come up.

Mr. PLUMB. It is about \$170,000,000, and of that there are about \$40,000,000 of 4 per cent. bonds.

Mr. SHERMAN. If this section, which is entirely new, were adopted so far as the banks of over \$50,000 capital are concerned, I am afraid it might tend to embarrass the public by a sudden contraction of the currency. I do not want to press this idea, but as a member of the Finance Committee I do not want this section to be adopted without its probable effect upon the money market and upon the condition of the national banks being known. That being settled, I have no desire to further interfere.

Mr. PLUMB. The purpose of my amendment was to begin a substitute for the present condition of things in regard to national-bank notes; but, inasmuch as the Senate has already adopted the proposition for free coinage, I will withdraw my amendment to the first section, and move to strike out the first section of the bill, giving notice that when the second section comes up I shall move what I have heretofore offered to the third section as a substitute for that, and that will bring up the question between the proposition I have made and that of the Committee on Finance. I now move to strike out the first section of the bill.

The VICE PRESIDENT. The question is on the amendment of the Senator from Kansas to strike out the first section.

The amendment was agreed to.

Mr. PLUMB. I move what I have sent to the Secretary's desk to take the place of section 2.

The VICE PRESIDENT. The amendment will be stated.

Mr. EUSTIS. I understand the motion is to strike out the first section.

Mr. PLUMB. That was carried.

Mr. EUSTIS. It struck out the enacting clause too?

Mr. PLUMB. Oh, no.

Mr. EUSTIS. Is not the enacting clause a part of the first section?

Mr. PLUMB. Oh, no. I want to say that if this amendment of mine to the second section is adopted I shall propose subsequently to amend the bill by the adoption of a section to the effect that as additional bank circulation shall hereafter be retired it shall be replaced by the issue of United States notes, and that will bring up the question as to whether the United States shall keep these banks hereafter as a method of providing currency for the people of the United States. I do not think there can be any question on this point. Everybody agrees that the national banks are going out. They can not maintain their currency for any length of time in any event.

Even the Senator from New York the other day said that he agreed that the national banks were to quit the issue of circulation, and unless we are prepared now to enter upon a new scheme of national-bank currency and inaugurate a new system of expanding this kind of currency, we ought to agree now that these national banks shall be put upon the basis of banks of discount and deposit and that alone. I propose simply the logic of the present situation. The Senator from Nevada says they would not put up new bonds. We know the banks do not want the circulation under the present condition. We can not tell that they will take them under any conditions whatever.

We know that the present system can not be flexible and adequate to the needs of the people of the United States, and therefore we might as well make up our minds now as later that the national-bank circulation shall be retired and put something in the place of it, and put these banks, as they ought to be put, upon the basis of discount and deposit.

When I say that I say it with a thorough appreciation of the fact that it is to the best interests of the people of the United States that these banks shall be upon that basis, and that, as we extend this system from time to time, we shall have a system of safety, of convenience, and one which will respond more naturally and inevitably to the interests of the United States connected with this vast system of banking, which can be done under the laws of the States.

In view of the fact that we are considering the question of the re-

tiement of the national-bank circulation and the addition to the currency by means of the free coinage of silver, it seems to me we ought to preserve this system as one of discount and deposit and not leave it under the present conditions, whereby it is liable to disappear from time to time as the banks dispose of their bonds, now at a high premium, for the purpose of getting a large profit, and they may from time to time choose to surrender their charters in order to get this profit.

The VICE PRESIDENT. The question is on the amendment of the Senator from Kansas [Mr. PLUMB].

The amendment was agreed to.

Mr. ALDRICH. I suppose the third section will come out. I ask the Senator in charge of the bill—

Mr. PLUMB. I move as a substitute for section 3 what I send to the desk.

Mr. GRAY. Does the Senator from Kansas move to strike out the third section.

Mr. PLUMB. I move to strike out the third section and insert as the second section what I send to the desk.

Mr. GRAY. I should like to hear from the Senator from Kansas why the third section should be stricken out.

The VICE PRESIDENT. The amendment of the Senator from Kansas will be stated.

The CHIEF CLERK. It is proposed to strike out section 3 and insert the following as section 2—

Mr. EDMUNDS. Read the section that is to be stricken out, so that we can understand the question.

The VICE PRESIDENT. The third section will be read.

The CHIEF CLERK. It is proposed to strike out section 3, as follows:

SEC. 3. That upon any deposits already or hereafter made of any United States bonds bearing interest, in the manner required by law, any national-banking association making the same shall be entitled to receive from the Comptroller of the Currency circulating notes of different denominations, in blank, registered and countersigned as provided by law, not exceeding in the whole amount the par value of the bonds deposited: *Provided*, That at no time shall the total amount of such notes issued to any such association exceed the amount at such time actually paid in of its capital stock.

And to insert as section 2—

Mr. PLUMB. Mr. President, that ought to be amended by inserting a different title of the act. I move to insert the words "An act entitled an 'Act to provide ways and means for the support of the Government, approved March 3, 1863,' which took the place of the greenback act."

The VICE PRESIDENT. The section will be read as proposed to be modified.

The CHIEF CLERK. It is proposed to insert as section 2:

SEC. 2. That the Secretary of the Treasury is hereby authorized and directed to replace all sums of national-bank notes hereafter permanently retired and canceled by the issue, in lieu thereof, of like sums of United States notes of the description and character of the United States notes now outstanding and authorized by act approved March 3, 1863, entitled "An act to provide ways and means for the support of the Government" and acts amendatory thereof; and the said notes outstanding, and all thereof hereby and hereafter authorized and issued, shall be receivable for customs and a legal tender for all public and private dues.

The VICE PRESIDENT. The question is on the amendment of the Senator from Kansas [Mr. PLUMB].

Mr. GRAY. Mr. President, I want to understand something about this amendment before I am called upon to vote on it. The proposition seems to me pure and simple to add \$180,000,000 or thereabouts to the irredeemable greenback currency of the United States. It is a proposition of such measure and seriousness that I do not think it ought to pass without a word of explanation on the part of the propounder, and perhaps something should be said by those who protest against it. Why not leave section 3, which the Senator proposes to displace by this amendment, and leave the paper currency to be furnished by the banks on the basis of the bonds deposited, as heretofore, even if they are here and there retiring the amounts of circulation when they find it is profitable to do so, rather than embark now in this unpremeditated and hasty way on a great issue of paper currency that we thought we had safely emerged from?

It seems to me that is not a proposition which ought to be put upon this bill. It is a question of too great interest to the people of the United States, to the industrial and commercial interests of the United States, to be tacked on as an amendment here without debate and without consideration. If we are to have a reformation of the banking system of the United States, if there must be a new basis found for the circulating medium, which I think is wholesome and wise, let us do it in a well-considered bill. The time seems to be coming when we must overhaul the whole scheme of national banks and see whether they can be continued as banks of issue as well as banks of discount and deposit.

So far as they are concerned, while there are many features of the national-banking scheme that are objectionable, still upon the whole they have been a wholesome institution to the finances in this country. They have furnished a sound circulating paper currency based upon the solid and honest security of sound banking, a system of banking that the experience of the world has justified, and which I should be very sorry to see displaced by another so crude and so dangerous as this little section proposed by the Senator from Kansas. If we are to have

irredeemable fiat money issued without let and without limit, let us know it. I have believed all along that back of this scheme for unlimited coinage there was the ghost of fiat money ready to materialize at any moment. This is almost too soon, according to my expectation, for materialization to take place.

I hope the Senator from Kansas will now favor us with an explanation of this amendment submitted to the bill that has been considered, that the people of the United States may understand just what the proposition is, and not here at this late hour of the day, at the commencement of the night, embark upon this yeasty wave of an irredeemable paper currency.

Mr. COKE. Mr. President, if I understand the amendment of the Senator from Kansas [Mr. PLUMB], it is to substitute for the retiring national-bank notes legal-tender Treasury notes. Am I correct?

Mr. PLUMB. The Senator is correct.

Mr. COKE. If that is the amendment I very highly approve of it. I have nothing to say with reference to the record of national banks as having invented and maintained a proper currency for the people. Whatever the opinions may be in respect to national banks I, at least, do not desire to see them continued longer than is required by the exigencies which brought them into existence. Their currency constitutes a part of the circulating medium of this country, and it is being now rapidly contracted by the retirement of these bank notes. I can not conceive a happier solution of the trouble arising from the retirement of these notes than their substitution with legal-tender Treasury notes.

The Senator from Delaware [Mr. GRAY] says these notes are irredeemable, as I understand him. I do not understand them to be so. I understand the legal-tender Treasury notes to be such notes as any man can obtain gold or silver upon, by demand at the Treasury.

Those notes, Mr. President, in my judgment should constitute the paper currency of this country. I believe that the national-bank notes should be retired, if necessary compulsorily retired, and their places supplied by the legal-tender Treasury notes.

I voted against the recharter of the national banks in 1882 and I have always been satisfied with that vote. The national banks as banks of discount and deposit I see no particular danger in, but national banks as banks of issue I have always opposed, and, as I understand it, the fathers of the Democratic party have always opposed them.

The issuance of paper money for the convenience of the people is an act of sovereignty which, in my judgment, the Government should not delegate to any power, to any body, to any corporation. It should be performed and executed by the Government itself. It should not be in the power of a corporation or system of corporations to contract the currency at any time.

Our system of national banks is a complete system. These banks, through their leading officers, have their annual meetings. They have their grip and password. They generally act as a unit. These banks, as we have seen heretofore, can bring distress upon the country at any moment they please, so long as they control its circulating medium.

I have favored the free coinage of silver. I have opposed the retirement of the \$346,000,000 of Treasury notes, and I favored the substitution of the retired national-bank notes with legal-tender Treasury notes, all for the purpose of taking our paper circulation out of the hands and from under the control of the national banks.

I observe, Mr. President, that there are a great many Senators who oppose the free coinage of silver, who are afraid of silver inflation, who oppose anything that looks to any addition to our currency unless it be national-bank notes. I hear no complaint made in certain quarters of any proposed inflation of the national-bank currency. I do hear objections made to an increase of our currency by any other means or from any other source.

It has seemed to me, Mr. President, that this silver contest is very much a contest between metallic and bank currency. Of course there must be some metal upon which paper is predicated, and gold has been accepted as that metal by the monometallists. Wherever you find a man opposed to the free coinage of silver you find one in favor of issuing more national-bank paper. If those who are in favor of issuing national-bank paper would explain themselves fully, I have no question that they oppose silver because it does away largely with the necessity for more national-bank notes.

The amendment of the Senator from Kansas is in the right direction. It is in the direction that I should like to see traveled by our entire paper currency. I should like to see the national-bank notes retired and Treasury notes substituted for them, and whenever that is done, in my judgment, it will secure finally the full remonetization and free coinage of silver.

Mr. ALDRICH. I ask that the vote may be taken on the amendment by yeas and nays.

The yeas and nays were ordered.

Mr. WOLCOTT. I should like to have the amendment reported.

Mr. GRAY. Let the amendment be read.

The VICE PRESIDENT. The amendment will be read.

The SECRETARY. It is proposed to strike out section 3 of the bill and insert the following as section 2:

SEC. 2. That the Secretary of the Treasury is hereby authorized and directed to replace all sums of national-bank notes hereafter permanently retired and can-

ceded by the issue, in lieu thereof, of like sums of United States notes of the description and character of the United States notes now outstanding and authorized by act of March 3, 1863, entitled "An act to provide ways and means for the support of the Government," and acts amendatory thereof; and the said notes outstanding, and all thereof hereby and hereafter authorized and issued, shall be receivable for customs and a legal tender for all public and private dues.

Mr. PLUMB. Mr. President, the only question here is as to whether we shall diminish or keep up the present volume of paper money outstanding. There is no use talking about the free coinage of silver or any other project in regard to the currency of the United States unless we provide for keeping up the present volume of paper money, because if we do not we may diminish the volume of money greater than we produce in the way of metal money. According to my belief, what we want to do is to increase the volume of money and not diminish it.

The Senator from Delaware [Mr. GRAY] says this is irredeemable paper money. If it is irredeemable paper money then \$346,000,000 of money now outstanding is irredeemable.

Mr. GRAY. If the Senator will allow me, it is not irredeemable upon its face or by law. What I meant to say was that when you increase the use of Treasury notes you make them practically irredeemable. If you put out a quantity that the Treasury can not conveniently turn into gold it is just the same as if it was irredeemable for fifteen years.

Mr. PLUMB. We provided by the resumption act of 1874 that the Secretary of the Treasury might provide coin for this money. We provided by the act of 1883 for the continuation in the Treasury of the United States of at least \$100,000,000 in coin for its resumption, and the Secretary of the Treasury has the power at his option of issuing as many bonds as may be necessary for the purpose of redeeming this currency.

Mr. McPHERSON. Is it not true that the national banks to-day under the law are required to keep a certain amount of bonds upon which of course they would be certain to take out circulation? That can not be reduced very materially below the present amount by retiring the circulation except by abandoning the banks and letting them go into liquidation. Therefore it can not affect materially the situation. It can not give very much more or very much less.

Mr. PLUMB. The national banks may retire from time to time an active amount of circulation which is equivalent to, say, \$170,000,000.

Mr. McPHERSON. I think they have but one hundred and forty-odd millions now all told, and as the basis of national-bank notes, as a matter of course, banks of a certain capital are required to keep a certain percentage.

Mr. PLUMB. About \$120,000,000 of that currency is based upon bonds the banks now hold. They may retire that at any time they please, subject to the limitations of the act of 1883 that the entire diminution of the bank circulation in any one month shall not exceed \$3,000,000.

Mr. McPHERSON. They would hardly surrender the circulation based on the bonds which they are required to keep.

Mr. PLUMB. That, of course, I do not know.

Mr. ALDRICH. I think the Senator from New Jersey was probably not in his seat when the amendment offered by the Senator from Kansas [Mr. PLUMB] to the second section was adopted, which reduces the amount of bonds to be held by the banks to \$1,000.

Mr. McPHERSON. That refers to banks that have a capital of \$50,000.

Mr. ALDRICH. It refers to all banks. So it will only require about \$3,000,000 in bonds to be held by all the banks in the United States.

Mr. McPHERSON. Then the purpose of the Senator from Kansas is to reduce the amount of the bonds necessary to be held by the national bank to \$1,000, whatever may be the capital of the bank, whether \$5,000,000 or \$5,000.

Mr. PLUMB. Certainly.

Mr. McPHERSON. Under the law passed last summer the money that is received from the national banks to retire circulation goes into the general fund in the Treasury and may be paid out upon all sorts of extravagant improvements and the general and current expenses of the Government, but it still remains as a debt because the Government assumes to pay it. I do not think I can consent to such an amendment as that.

Mr. PLUMB. Mr. President, we are at the mercy of the banks of the United States the way the thing stands now. They may retire any amount of their circulation subject to the provision I spoke of a moment ago, of \$3,000,000 a month. That will amount to \$36,000,000 per annum. We can not control that, and I take it that no bank in the United States, except a handful in the eddies of business, the commercial banks in the proper sense of the term, cares to keep up its circulation in the present condition of affairs.

Mr. GRAY. I do not perceive that the amendment the Senator has offered provides any way by which this issue of Treasury notes is to be got into circulation. How does the Senator propose that the Treasury notes issued in lieu of the retired national-bank notes shall be put in circulation?

Mr. PLUMB. I think I can ease the mind of the Senator on that

point. I understand the purport of it and the basis of it. There are about \$40,000,000 of 4½ per cent. bonds in the outstanding notes of the banks of the United States to-day as the basis of circulation. These bonds are to be called in and paid unless the United States default between now and next September. Under this proposition the banks can deliver these bonds at once, minus the \$1,000, to the Treasury of the United States.

Mr. COCKRELL. The interest has already been paid up on all of them to the full amount.

Mr. PLUMB. As the Senator from Missouri says, the interest has been paid up to date. The Treasury of the United States, in order to do that which the Senator thinks can not be done, has anticipated the payment of interest to get out the money. Instead of paying it to contractors and for public buildings and various purposes of that kind, he has anticipated the payment to the creditors of the United States, and has paid the interest on these bonds until next September. These bonds will become due next September, and the Secretary of the Treasury may redeem them at any time, as he can do now if he has the funds, and if this section passes he will redeem them as fast as they are presented. For instance, supposing a bank in the city of Wilmington having now \$50,000 in bonds shall choose to avail itself of the operations of the section already adopted, and should retain only \$1,000 of bonds as the basis of its charter, it will send \$49,000 of these bonds to the Secretary of the Treasury, with what result?

Mr. GRAY. They are 4½ per cent. bonds?

Mr. PLUMB. If they are 4½ per cent. bonds what will be the result? The result will be that the Secretary of the Treasury will take those bonds, and as fast as the currency which is based upon the bonds is retired and canceled he will issue in lieu thereof and in payment therefor the United States notes which are described in this section.

Mr. MORGAN. In payment of the bonds?

Mr. PLUMB. It amounts to the same thing—in the payment of currency. In other words, whenever these banks choose to retire their currency they present an equivalent amount of United States notes to the Secretary of the Treasury and thereupon he delivers to them their bonds. There is, therefore, outstanding an obligation under the law of last July against the Treasury in an amount equivalent to the national-bank notes outstanding; but as the Secretary of the Treasury has the power to substitute for these United States notes Treasury notes so he can issue these Treasury notes and take up the bonds as they are presented or called for by the banks. The result will be that as the banks retire the Treasury takes up the bonds, and thereupon we shall have in place of national-bank notes from time to time \$180,000,000 of Treasury notes issued.

Mr. GRAY. That method would apply to the \$40,000,000 of 4½ per cent. bonds?

Mr. PLUMB. Yes.

Mr. GRAY. So far as they are concerned that will be carried out. Then what becomes of the others?

Mr. PLUMB. As far as that is concerned, the Secretary of the Treasury—

THE PRESIDING OFFICER (Mr. EDMUNDS in the chair). It is the duty of the Chair to state that according to the understanding the ten minutes allowed to the Senator from Kansas have expired.

Mr. REAGAN. Mr. President, the amount of national-bank notes in circulation is being steadily reduced and retired from circulation as the national debt is being paid off. Besides that, the high premium on the bonds discourages banking establishments from issuing them as a basis for the issuance of currency. The result of the two causes combined is a reduction of the volume of circulating money, and the special need of the country is for an increased volume of circulating money.

We may expect a continued reduction of the amount of national-bank notes as the bonds of the Government are paid off. By what means are we to meet the deficiency in the volume of currency? We have agreed by the action of the Senate this evening, so far as the action of the Senate goes, to provide for the free and unlimited coinage of silver, but the amount of silver, if all put in circulation, would be unequal to the needs of the country.

It seems to me that the proposition made by the Senator from Kansas is wise and timely, that as the notes of the national banks are retired their place shall be filled by an equally valuable currency. No one complains of the quality of the national-bank notes. They furnish a fine currency, not a legal-tender note it is true, but they are so valuable, and are at par with coin, that even an officer collecting a note under a judgment would hardly inquire whether the notes he receives in payment are national-bank notes or legal-tender notes.

But we want more money. The needs of the country demand more money. Now, if we issue notes such as those now outstanding to the amount of the national-bank notes retired they will be just as valuable, just as useful in commerce, and they will answer all the purposes with less expense to the Government, with less expense to the people, than the expense of issuing the national-bank notes; and, besides that, they will to that extent prevent the national banks from controlling the volume of currency.

Senators will remember that in 1878, at the time when Congress had before it a bill to prevent the retirement of legal-tender notes and

when it had before it a bill to provide for the free coinage of silver, the national banks employed all their powers to defeat those two measures by an open contest with Congress. The newspapers in their interest denounced Senators and Representatives by every epithet of contempt and disrespect which they could manufacture, because they were seeking to promote the interest of the country by securing the free coinage of silver and by arresting the retirement of the legal-tender notes.

There had been some \$400,000,000 of the legal-tender notes outstanding under the law of 1870, I believe it was, providing for a retirement and cancellation, and they had been retired down to \$346,000,000 by the act of 1878. The Congress arrested the retirement of those notes and made provision that when paid into the Treasury they should be reissued and kept in circulation. It may be that it is that to which the Senator from Delaware refers when he speaks of their being irredeemable, but they on their face are redeemable in coin when presented at the Treasury if any one desires it.

Then the Senator in his explanation subsequently seemed to object to a money that was to be continually outstanding.

Mr. President, it seems to me that that is one of the very virtues that should commend these notes to the favor of the country; that is, that they are so valuable, that they answer so fully all the purposes of money, that there is no call for their redemption by the Government; that they go in circulation, remain in circulation to perform all the functions of money, and this, instead of being an objection, it seems to me is a great merit in those notes.

Mr. President, when in 1878 the national banks undertook to control Congress and for that purpose retired about \$19,000,000 in three weeks, with a view to intimidate Congress and produce a financial depression, which they intended to charge upon Congress for intermeddling with the currency, they performed an act that showed that the power to issue currency ought to be taken out of their hands. They had no right to use the powers that the Government conferred upon them for beneficent purposes in order to control the will of Congress, to control the will of the people, and to control the interests of the American people and subordinate them to their own selfish interests. When they did this I assumed then, and from then till now I have insisted, that the power to issue currency ought to be taken from them.

I have no objection to them as banks of discount and deposit. For those purposes they may be wise and useful. I have no objection to that; but a set of corporations brought into existence to aid the Government and the people that by its annual meetings discloses the purpose and then by its action in the instance to which I referred in 1878 showed that it was willing to sacrifice the best interests of this country and endanger it with a financial crash in order to defeat a measure before Congress for the good of the public, ought to have that power taken from it. It would have produced financial disaster if the Secretary of the Treasury at the time had not thrown large sums of money upon the New York market to purchase bonds. We ought not to have such an enemy to the public to deal with.

So my view is that if these notes are retired their places should be supplied by the sort of notes provided for in the amendment of the Senator from Kansas, so that the transition from national-bank notes to the notes of the Government would be steady, certain, easy, and never deceive the public, with no jar, no violence, in the transition from the issue of national-bank notes by the banks to the issue of notes by the Government. As I said awhile ago, the notes issued directly by the Government save to the people the expense which now attends the issuance of the national-bank notes. The government would be benefited, the people would be benefited, and I trust the amendment offered by the Senator from Kansas will be adopted.

Mr. STEWART. Mr. President, I see no danger in this amendment. It does not increase the paper currency of the United States; it only takes the place of the national-bank notes as they are retired. They rest upon the credit of the Government just the same as the greenbacks do. They have no higher standing, if so high. These notes are not provided for as the Treasury notes are. The Treasury notes are provided for to be redeemed in coin, and the Secretary of the Treasury, as has been justly remarked by the Senator from Kansas, has the power to sell bonds if it is necessary to obtain coin to redeem them. They are amply secured.

I wish to call the attention of the Senator from Kansas to another security that they have behind them. By the free coinage of silver we shall have an additional amount of coin in the Treasury. The coin all goes in—it is going in now—and paper is being issued for it. We have a large amount of silver accumulating every day. Under the amendment we have adopted it goes into the Treasury generally, and it will be redeemable. They can take coin or they can take these notes. As a matter of fact, coin will constantly accumulate in the Treasury, and there will be an abundance there to redeem what paper will be out.

Now, it is the theory of bankers and of governments that you shall have out three to one, but before these are retired you will accumulate so that you will be far past that mark. If in the next year you get sixty or seventy million dollars of additional coin in the Treasury under the provisions of this bill you would have out two for one, you will only get out \$36,000,000 of this. It is only a small amount. I do not

know but that you could remove a million and get it out faster than that; and the coin is being supplied as a basis for this legal-tender money, and the United States will have out but a trifling amount compared with the coin it will have in the Treasury under the operation of free coinage and issuing Treasury notes. With the power to sell bonds, if necessary, to be redeemed, then with \$100,000,000 behind them, or fifty million, or sixty million, perhaps seventy or eighty million accumulating every year of coin in the Treasury, this small amount is amply secured, and then by doing it we do not contract the currency.

It has been predicted that this free-coinage amendment will contract the currency and it would scare people. This amendment would prevent the contraction of the currency, and we shall have new money all the time, or gold and silver can be procured, and with an ample basis we shall have more than any other government. Nobody ever thought of having more than any banker, more than any institution that ever issued paper money based upon coin ever thought of having.

Mr. GRAY. Let me ask the Senator from Nevada a question.

The PRESIDING OFFICER. Does the Senator from Nevada yield?

Mr. STEWART. Certainly.

Mr. GRAY. I wish to ask the Senator how he proposes to get these greenbacks in circulation except a portion of them, as the Senator from Kansas explained can be done by taking up 4½ per cent. bonds.

Mr. STEWART. It is the simplest process in the world. The money that is paid in now to retire the bonds goes into the general fund and it is paid out. That money will not be there when the national-bank notes come for redemption. It provides that you may issue money and exchange it for the national-bank notes. We shall make money out of silver. We shall stop my friend's scheme of speculating in silver, and we shall not buy silver with it, but we shall use this issue to exchange for the national-banking currency when it comes in for redemption.

I believe there are about \$70,000,000 out now. That has been retired so far as the banks can retire it. They have surrendered their bonds, and they have paid lawful money into the Treasury and withdrawn their bonds. That money is in the general Treasury, and when the national-bank notes come for redemption they have got to be redeemed with money in the Treasury out of the general fund. This provides a special fund for their redemption. It seems to me that is a very simple process.

Mr. HISCOCK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from New York?

Mr. STEWART. Yes, sir.

Mr. HISCOCK. Do I understand the Senator from Nevada to claim that this is necessary to provide a redemption fund for national-bank currency?

Mr. STEWART. No, you can provide for it by taxation if you will.

Mr. HISCOCK. Is not that already provided for?

Mr. STEWART. It is provided for by taking it out of the general fund.

Mr. HISCOCK. No; I ask the Senator the question if the national banking currency in its redemption as it is presented is not already provided for?

Mr. STEWART. Provided for?

Mr. HISCOCK. I do not mean by taxation.

Mr. STEWART. How is it provided for?

Mr. HISCOCK. I asked you the question, if it is necessary.

Mr. STEWART. How is it provided for?

Mr. HISCOCK. I asked you the question, if it is necessary.

Mr. STEWART. Certainly it is provided for. The Government has agreed to redeem them, when they are presented, with the money in the Treasury, and until the act of last year you required the money to be retained which was deposited there, and you had a large amount of it locked up. The national-bank notes did not come up, and there was a vast fund accumulated, and at the last session Congress passed a law to cover it into the Treasury and redeem the national-bank notes as they came in out of the current fund. So I understood it has the effect of law. If I am mistaken I should like to be corrected.

Mr. MORGAN. Mr. President, the United States Government, as the law now is, stands pledged for the redemption of every paper issue that is out in this country. Whether it is to be redeemed in gold and silver or gold or silver is not exactly known, but there is no doubt at all that the Government of the United States to-day stands pledged for the ultimate redemption of every dollar of money that is in circulation of a paper kind, silver certificates, gold certificates, coin certificates, Treasury notes, otherwise called greenbacks, and national-bank notes. In the act of 1890, passed at the last session, we took a fund that had been laid up in the Treasury of the United States amounting to about \$60,000,000, a trust fund which the banks had deposited there for the purpose of redeeming the issues of banks that were broken or in liquidation—we took that fund out of the Treasury as a trust fund, covered it into the Treasury again as a general appropriation fund, and we have used that all up, and I understand we are about \$18,000,000 short now.

The United States Government being the ultimate redeemer of every dollar of paper issues that are out, the question is not altered by the

change of the form of the security, as is proposed by the amendment of the Senator from Kansas. The form of the pledge we have got to redeem now, we will say, is national-bank notes. We have no power to call in at our will any one of these paper issues. We can not order them to be surrendered by the holders of them, and say they shall accept either gold or silver in redemption of them. They were started out for circulation as money that will perform all the offices of money in their circulation, and the Treasury of the United States will never be able to touch them until they are voluntarily surrendered into the Treasury for redemption or until they are put in by way of taxation in some form or other.

Now, the question is this: As we can not compel the national banks to surrender their currency as long as they choose to go on with their present system of bank operations and keep their bonds in pledge in the Treasury of the United States for the redemption of the circulation, the question is, whether we shall give them the option of doing that thing at their pleasure and making a restraint or restriction in the amount of currency that is in the country without supplying its want with some other form of security.

Now, we see by the falling into maturity of the bonds that we have had now, about \$36,000,000, if I have the figures right, will be out in the course of a year—\$40,000,000 we will say will be due in the course of a year, when these bonds will come in, since they must come then for redemption unless parties choose to hold them without drawing any interest upon them, which is not likely to be done. Then the process will be this: The national banks that have their circulation based upon these bonds will have to bring it in and surrender it into the Treasury in order to get the bonds into their own hands or under their control. Then the United States Treasurer will pay those bonds, and that will be the end of the transaction, and there will be a shrinkage of \$40,000,000 of currency, to say the least of it, within a little over a year, I believe.

The United States Government, as we are at present advised of the nature of the contract indorsed upon these bonds, is expected to pay in gold, and is held bound to pay in gold these bonds whenever they are called or presented for redemption. The national banks come in and surrender their currency issued upon the face of them and say "Give me my bond." The bond is surrendered. "Now, give me my gold upon it." The gold is paid out of the Treasury, and then we have got to resort to taxation to get that gold back, or something of the kind, and we shall have to tax the people continually and more heavily whose basis of currency is continually shrinking. That will not do. That will ruin any country in the world.

Now, then, what is proposed to be done? You change merely the nature of the security, and instead of making an out and out redemption in coin of this circulation we will redeem the national-bank notes that are outstanding precisely as the law requires them to be redeemed now by the issue of the Treasury notes. In order to do that we have got to take off the restriction of course that they shall not issue exceeding the amount that is outstanding, I believe, \$346,000,000. That restriction will have to be removed and that is removed by the amendment of the Senator from Kansas.

So, as fast as the national banks choose to retire their circulation, it being a matter of entire option with them and not on our part a compulsory mandate that we can exercise toward them, they will bring their circulation into the Treasury of the United States and the Government will issue immediately in lieu thereof Treasury notes instead of its being a final and ultimate redemption, which will shrink the volume of the currency in the country. It is a mere change in the form of the security without adding one single dollar to the volume of circulating currency.

Now, there are a great many people in the United States who desire very much to increase the volume of the greenbacks. A Senator asks the question whether there is a fund for their redemption. There is \$100,000,000 in the Treasury not carried there by any law, carried there by an order of the Secretary of the Treasury, which, however, we have recognized from time to time as being a proper redemption fund of \$346,000,000. In that one little particular, that single phase and view of the financial condition of the United States, the Government of the United States is simply a banker operating upon a deposit of \$100,000,000 and using \$346,000,000. That is as clean a bank operation as was ever performed in the world. It is the issue of \$346 for \$1, that is all.

Mr. President, where can be the harm in this? Where can be the danger? Who can say that it is inflation? Have we not as good a right to change the form of the security in this case as we have in many others that we have already adopted? Did we not change the form of security for the redemption of the national-bank issues when we passed the law in 1890 to which I have just referred, when the Treasury of the United States by our action was made responsible for the redemption of sixty-odd millions of national-banking currency, and the funds in our Treasury were converted to our own use? We changed the form of security there.

We have got that debt to pay and we have got to pay it through taxation. Whether we pay it in gold, or whether we pay it in silver, or whether we pay it in coin certificates, or what not, it makes no difference. The money that we happen to have in the Treasury at the proper time to meet the obligations that we are under, and have placed

ourselves under voluntarily by this act of ours, comes through taxation, and of course it is just as broad as it is long.

The Senator from Kansas will inform me if I am wrong about it, but, as I remember, the Senate, by a call of the yeas and nays of this body, passed on a former occasion the identical amendment that the Senator from Kansas has now offered.

Mr. PLUMB. It did.

Mr. MORGAN. The subject was then fully considered and debated; I recall the matter; and it was then considered by the Senate of the United States that we could not cause this shrinkage in the volume of the national-banking currency nor permit it without substituting for it something else.

I am not speaking to-night for the national banks or against the national banks. In my judgment they are one of the indispensable fiscal agencies of the United States Government.

I shall deplore very much indeed the day when any man can take his bill of exchange to the counter of a subtreasury of the United States and ask that it be discounted across that counter by the officers of the Government. There must be the intervention of some fiscal agent which has personal and individual responsibility associated with it so that the men who hand out the issues upon securities of whatever character may be responsible personally for the success of their loan. The Government of the United States can not become the lender of money to its own people without subverting the whole financial scheme of the Government. But this does not touch that question.

The PRESIDING OFFICER. It is the duty of the Chair to state that the ten minutes of the Senator have expired.

Mr. EVARTS. Mr. President, the relations of the people to the Treasury of the Government are substantially these: that the only resources of our Government are to be derived from taxation or by the realization of a sale of property belonging to the Government. It is now proposed to put at the disposition of this Government, by the will of Congress, the power of making money out of paper, and that connects itself in no way with revenue or the sales of the property. In other words, we are introducing at this hour in the night a method by which this Government is, by the will of Congress, from time to time, to make, by paper money, obligations of the Government that are to rest, if they ever are to be redeemed, ultimately upon taxation.

Mr. President, except in the case of loans which anticipate revenue it has never been thought wise to place in the power of the Government the creation of money. It may be necessary in exigencies, and in the civil war there was an exigency that required that all the wealth of this country should be marshaled for the war by the conscription of its wealth, as of its military force collected by volunteers or conscription of men, and the issue of all that was that by force of law these issues should pass for legal tenders in the exigency, always carrying the result that at the end of the war the clearing house was to be brought to a settlement and the paper was to be redeemed.

At a certain stage of that proceeding this Government held that this limitation of what was issued for the exigencies of the war might now be kept alive for ease or convenience or safety in the currency of the country; but the fact that no authority had ever been given to this Government to create this legal paper money except under these great exigencies, and that what was kept alive was supported upon that necessity, which could not prevail in the Government needs or in the action of Congress except upon so great a stress as that this issue might come in and go out, but always as a living force of the needs of the nation in their war.

And now, coolly, it is proposed that besides the revenues that are raised by Congress from the people and by the conversion of any property, of public lands, or what not, there shall be accorded to this Government the power of making money, and restrained only by what can be called a convenience in the proceedings of financial arrangement.

We are told that there is a limit here imposed. It is a limit of \$180,000,000. What does that limit rest upon? Does it rest upon a necessity of war? No, but upon the convenience of the issue; and when this convenience has thus been heedlessly met this instance will be a new precedent for the creation of money under any convenience, and thus we are at once launched upon a scheme of fiat money when the abundant resources of this nation entitle us to keep our issues upon the wealth of the country raised by taxation and the conversion of property.

Senators should understand that if it were difficult to draw a line for the issue and reissue of the legal-tender notes that sprang from the war, you are letting loose now here, and for aught I can see forever, the proposition that whenever it is convenient in finance there is to be a creation of legal-tender paper.

I hope, therefore, that whoever votes here will know what he is voting about and know what he is voting, and if there are other methods by which an ease in the circulation of the country can be promoted, they should find some other method than that which opens and unlooses this contrivance.

Mr. MORGAN. Before the Senator takes his seat will he allow me to ask him a question? I desire to ask the Senator what substitute he would put into currency in circulation in the place of the national-bank notes if those banks should voluntarily surrender all their circulation? What would the Senator do now?

Mr. EVARTS. What would I do?

Mr. MORGAN. Yes; what would the Senator do?

Mr. EVARTS. I would not restrict them; I would not restrain them. I would find some other method.

Mr. MORGAN. What other method would the Senator find for supplying that currency?

Mr. EVARTS. I am not dealing with that now. I am only saying that under no circumstances in time of peace, with no stress upon the country, would I vote for authorizing legal-tender paper by the Government of the United States.

Mr. MORGAN. Then, I suppose the Senator would come down to the proposition of having gold and nothing else for the circulation in the United States.

Mr. EVARTS. I did not say that.

Mr. MORGAN. For if there is any paper issued by the United States Government, no matter what the pledge of redemption is, that can not be a legal tender according to the Senator's theory.

Mr. EVARTS. I am not afraid of its being good paper. That is what I fear, that it will always be found convenient to make paper and thus separate the Government in the will of Congress from the basis of its issue upon the wealth and the taxation of the country. So when there is a creation of paper obligation by this Government the people may always know and see that that is to be met by taxation, and it ought not to be anticipated by a creation of paper money.

Mr. MORGAN. Well, we are to discuss the volume of the circulating paper currency in this country and then increase it again or you get hold of money by taxation. The people will be in a bad way if they have got to give up their circulating medium.

The PRESIDING OFFICER. It is the duty of the Chair to remind the Senator from Alabama that the understanding is that a Senator is to speak but once.

Mr. MORGAN. I beg pardon.

Mr. COCKRELL. I understand the amendment now pending is that of the Senator from Kansas [Mr. PLUMB] and is practically section 2 of his amendment. Am I correct in that?

The PRESIDING OFFICER. The question is on the motion of the Senator from Kansas to strike out section 3 and insert what has been read.

Mr. COCKRELL. And that section authorizes the Secretary of the Treasury "to replace all sums of national-bank notes hereafter permanently retired and canceled by the issue in lieu thereof of like sums of United States notes of the description and character of the United States notes now outstanding and authorized by the act of February 25, 1862, entitled," etc.

Mr. PLUMB. If the Senator will permit me, that is a misdescription of the act. It should have been the act of March 3, 1863.

Mr. COCKRELL. It does not make any difference about that.

Mr. President, what is this proposition? What is the condition of the national banks? On November 30 the national banks had a capital of \$659,782,865 and United States bonds deposited to secure circulation amounting to \$140,190,900, and circulation amounting to \$124,958,736 outstanding. They had a circulation outstanding and to redeem, for which they had placed in the Treasury Department legal-tender notes amounting to \$54,796,907, but that is not embraced in the terms of this amendment. The banks have already paid the United States that amount. The United States by the act of July 14, 1890, covered that \$54,796,907 into the Treasury as an asset, by that amount increasing the surplus apparently, and has assumed the payment of \$54,000,000 of outstanding national-bank notes. So that on the 30th of November we only had \$124,958,736 of national-bank notes in lieu of which this amendment would cause greenbacks to be issued.

Now, during the last five years there has been an enormous shrinkage in the circulation of the national banks. During the five years ended October 31, 1890, the aggregate of their circulation based upon the deposits of United States bonds has been reduced from \$276,304,189 to \$124,958,736, showing a net decrease during the five years of \$151,345,453. The net average decrease of the past five years has been \$30,269,090. This is simply a proposition to issue United States legal-tender notes and substitute them for this \$124,000,000.

Mr. President, I favor the proposition. The national-bank paper has been a good circulation, but banks and the authorities of banks back of those have not added one-millionth part of a cent to their circulating character and value. Their value has depended entirely upon the assumption of their payment by the National Government, and they can not possibly be any better than the greenbacks. If there is any profit in the issuing of this circulation, let the people of the country, the masses instead of the classes, have the benefit of it. We ought to have in this country \$500,000,000 of paper circulation based upon the indebtedness of the Government, issuing as an obligation of the Government and bearing no interest.

We ought to have more, but we can keep that amount, and they will always be at a par with gold. Remonetize silver, give it free unlimited coinage, and issue \$500,000,000 of greenbacks with what we have already issued, and they will still remain the equivalents of gold; there is no question about it; and then we shall have in this country the amount of circulating medium which the interests of the country

and the business of the country demand. Therefore I am heartily in favor of this proposition.

Mr. MORGAN. There will be no chance for shrinkage then.

Mr. COCKRELL. It will not give us \$500,000,000; but add \$124,000,000 to the \$346,000,000 and it gives us just \$470,000,000 exactly, and that is \$30,000,000 less than we ought to have; but still that is better than to let the notes be retired and the circulating medium of the country contracted by that amount, and to that extent the value of the property of the masses of the people reduced and depreciated.

Mr. DANIEL. Mr. President, the proposition, as I understand it, is that the United States shall issue a dollar of greenback money for every national-bank note that shall be hereafter retired, dollar for dollar. The Senator from New York characterizes this as embarking on the uncertain sea of paper money, but this proposition does not increase the paper money of the country to the extent of one dollar. That will stand as fixed and stable as it is to-day, and the only possible increase of currency that can occur in this country after this bill shall have become a law will be through its natural fountains of wealth, the mines of gold and silver.

So, Mr. President, while it is a very fine figure of rhetoric to speak about launching out on a sea of paper money, and may alarm the already somewhat intimidated and alarmed markets of the United States to have them advised from the Senate floor that the Senate proposes to embark upon this dark and ominous ocean, let us remember that the ocean after this bill has passed will not be an inch broader, an inch deeper, nor have another drop of water in it than is in it now, and the embarkation upon this ocean will simply consist of not drying it up.

Now, the Senator from New York thinks that it is not within the power of this Government in time of peace to declare that its paper money, which is guaranteed by all the property and character in the United States, shall be made a legal tender in the discharge of debts. That might have been a very good argument to suggest to the Supreme Court when they had before them the legal-tender cases, which are reported in one hundred and tenth volume of United States Reports, a case in which the distinguished Senator from Vermont [Mr. EDMUNDS], who just now preceded the present occupant of the chair, made the same argument, that the legal-tender power of this Government was a war power, and that it required the necessity and strain of a great exigency to give the representatives of the Government the capacity to set it in motion.

Suffice it to say that here is the text of the unanimous opinion of that court, with the single dissent of Judge Field, in which that court declares that it is a peace-time power as well as a war-time power, and that the legal-tender notes of 1878 which were issued thirteen years after the last sound of cannon had been heard in war were a valid legal-tender money of the United States.

Mr. President, in the nature of things if there can be legal-tender money of the United States it can not depend upon the incident of war whether that power to impart legal tender to paper can be exercised or not. It is a power of Congress, and if that power exists in Congress it is a political power of which no higher agency in the Government can judge as to the discretion of its exercise.

This identical question, then, is an old question which has been before mooted and has been finally settled in a series of cases covering every phase of suggestion that the Senator from New York can make.

Mr. President, I have been amazed to hear as one of the last arguments against the passage of this relief financial measure that the country is now in a more prosperous condition than it has ever been before, and Senators tell us that there is no necessity for enlarging the financial facilities of the people, as if we had neither eyes nor ears to see and hear what is going on around us.

In the year 1889, if I may trust the commercial reports of this country, there were more failures than in the preceding year, and the aggregate of failures exceeded that of the preceding year by \$40,000,000. Furthermore, but day before yesterday the leading commercial journals of New York had a statement of the shrinkage in values of the listed stocks of Wall street since the financial depression commenced in London and was imported to the United States, and in that single item of property which is comprehended in the listed stocks upon the marts of exchange in New York the shrinkage had been nearly \$250,000,000; and I might well say to the Senators who argue that the country is so prosperous that if that be prosperity make the most of it.

Mr. President, there are some figures, which I have not had the opportunity to test the complete correctness of which will show in a nutshell where the joint of this discussion as to more money or less money lies. I take these few figures, which I shall beg leave to cite before this debate closes, from a statement in the New York Economist, a compilation made by Mr. Dunning, a contributor thereto. This gentleman goes through the calculation and sums up to this effect, that if in the year 1886 one man had locked up \$1,000 in cash and another an equal amount of wheat, to-day the \$1,000 in cash would buy 1,666 bushels of wheat, while the \$1,000 invested in wheat in 1886 would realize only \$300.

Again, Mr. President, the national debt in 1866 was \$2,783,000,000. On the principal of this debt of \$2,783,000,000 we have paid up to the present time \$1,590,000,000, and for interest \$2,540,000,000, and \$58,000,-

000 in premiums on bonds purchased, amounting to \$4,198,000,000, and yet the debt that we have now twice paid with all this premium upon it is \$1,183,000,000, and we are to contract the currency which is to pay it.

He proceeds further to show that the debt if paid in 1866 would have required 87,000,000 barrels of pork and to-day it will require 147,000,000 barrels of pork. Of wheat, 1,000,000,000 bushels would have paid it in 1866 and it now requires 1,972,000,000 bushels. Of cotton, 7,000,000,000 pounds would have paid it; to-day it requires 13,000,000,000 pounds.

So, Mr. President, the people of this country have got their eye on the fact that it is the continued policy of those who here contend against silver and against any alleviation of the financial markets to drive down the price of labor and the price of produce, and to continue to stimulate the price of their fixed investments, and the people understand the situation just as well as they do. They want their corn and their wheat and their produce to come to their assistance, and this measure will bring it there.

Mr. PLUMB. I move to strike out the last two lines of the amendment, lines 12 and 13.

The PRESIDING OFFICER (Mr. FRYE in the chair). The Senator from Kansas moves to strike out the last two lines of the amendment. The Chief Clerk will report the amendment.

The Chief Clerk read as follows:

Authorized and issued, shall be received for customs and as a legal tender for all public and private dues.

Mr. PLUMB. Mr. President, if there is any logic to this legislation it is what has a relation to the volume of the circulating medium. If we are to so legislate, either with or without the free coinage of silver, as to reduce the amount of money in circulation, then I am opposed to the legislation, no matter what else may come of it. Three years ago, on a measure then pending, on a motion which I made, after full and fair discussion the Senate by a majority adopted a proposition similar to the one now pending. It was done upon the theory, entirely legitimate, that the receding volume of national-bank circulation ought to be met or overtaken by an advancing volume of legal-tender notes.

The argument of the Senator from New York amounts to this: First, that the United States can not issue or maintain legal-tender currency that would require from time to time the retirement of the legal-tender notes now outstanding; second, that there can be no paper money issued which does not have back of it a dollar at par of silver or of gold. That amounts to circumscribing the activities, the energies, the aptitudes, the opportunities of our people to the volume of metal money which we may be able to have.

I realize the conservatism which the Senator from New York expresses when he doubts the propriety of entering upon this sea, as he calls it, of legal-tender money; but I venture to remind him that we have already entered upon it; that we have got \$346,000,000 now outstanding; and that the United States Government has authorized banks to issue a volume of money which has been at a maximum of \$347,000,000 and is now a volume of \$180,000,000. This has been usefully employed; it has been made use of by the people of the United States in the transaction of their business, and if it is to be withdrawn something else has got to take the place of it.

Now, the Senator opposes to that proposition that we shall put something in the place of it, the idea about the impropriety and the unconstitutionality of the Government issuing legal-tender money. But the United States Supreme Court has settled that question about legal tender, and there never has been a time from the beginning of the Government down to the present moment when any person or any party doubted the authority of the Government to issue money. Mr. Calhoun said that the Government might with great propriety issue a certain amount of paper money as relating to the revenue; and that there should be more money, more circulating medium, than the volume of metals would give has been conceded from the beginning, and is truer now than it ever was.

If the proposition of the Senator from New York is to prevail we must crib and coffin and confine all our energies to avoid this counter proposition which he asserts; we must quit doing business, we must contract what we have been heretofore doing, we must quit building railroads, extending operations, and everything of that kind, and must do nothing which is not based upon the actual volume of gold and silver outstanding.

More than that, the Senator is not willing himself for the free coinage of silver, but we shall have as much gold as we get and then we shall have just as much silver as the creditor class of this country are willing to give us, and we have got that from time to time as the case may be, and we must manage all our business with reference to that.

Mr. President, 65,000,000 can not stand that sort of regimen. They must have more money than that provided. If the Senator from New York or anybody else objects to this proposition let him propose something else. If he says that the retiring volume of a national-bank circulation is not to be met and overtaken by a volume of a legal-tender currency issued by the United States Government, then let him say what else is to take the place of it. If not, then we are in this condition, that with increasing necessity for money, with increasing business, increasing population, we must accommodate ourselves to a diminishing volume of circulating medium.

If this bill has as its final result to provide a contraction of circulation, then I am not for it, no matter how much it may provide, nor how amply it may provide, for the free coinage of silver. That with me is subsidiary. It relates, first, to the volume of money we may get, and mainly to the basis on which we shall base circulation for the transaction of all our business; but if it is to come to this, that the Congress of the United States is to take no notice of the retiring bank notes, is to make no provision for anything to take their place, but is to enter upon an experiment of the free coinage of silver, with all the doubts as to what may come about the increase in the volume of the circulating medium, then, Mr. President, I am not for the bill.

But standing as I do upon the proposition that there is not money enough to-day and that under no circumstances should its volume be diminished, but that we should first and foremost provide against a diminution, and that then cautiously, sensibly, and conservatively we should provide for such addition as may come on account of the increase of the silver of the world which may be presented at our mints under free coinage, I am willing to go forward and take the chances. But if we are to legislate to-day for a possible contraction then we had better stop exactly where we begin. If the country is to come to disaster, if we are to go on under the present congested conditions, in which a handful of men control the business of the country, I prefer that it shall be with my dissent rather than with my assent.

So, Mr. President, I come back to this proposition, which is plainly and simply that whatever contraction occurs by reason of the retirement of national-bank notes now inevitable—can not be helped, has been confessed everywhere as essential to come—in the place of it there shall be put United States notes possessing the functions of those issued under the act of 1863, the legality of which has been affirmed by the Supreme Court, the usefulness of which has been attested by all the people of the United States, and which can not in any way commit Congress to any issue of paper money irrespective of the means of redemption or any loose or idle way which may in any way invite or foretoken inflation.

The PRESIDING OFFICER (Mr. EDMUNDS in the chair). The question is on agreeing to the amendment last proposed by the Senator from Kansas.

Mr. EVARTS. Mr. President, I speak to the last amendment, the same amendment that the Senator from Kansas has just spoken upon.

The Senator from Virginia [Mr. DANIEL] and the Senator from Kansas seem to imagine, for certainly I said nothing to base such a notion upon, that I thought that the issue of this legal-tender paper was not constitutional; that it was not within the power of Congress.

Ah, Mr. President, there is the trouble. It is constitutional, and it is within the power of Congress, and it is to issue this paper upon any such motives as to Congress from time to time under such exigencies as may seem to it adequate for the increase of this form of the debt of the country. No, Mr. President, there is no evasion of the matter. The Senator from Kansas now and the Senators on the other side of the alley who support it put it upon no ground whatever but that they want more money, and this—

Mr. PLUMB. No; the same amount of money.

Mr. STEWART. We do not want less.

Mr. EVARTS. Well, what is it the Senators say?

Mr. STEWART. We do not want any less.

Mr. MORGAN. They do not want any shrinkage in the money.

Mr. EVARTS. Then I will go on with my observations. They want more money, and this is the easiest way to get it from Congress. I suppose the interruption means that they only ask for enough to fill the vacuum. But what other vacuums may there be? No, there is no disguising it, that the reason, the motive, the argument, and the expediency rest upon nothing but that more money is needed for the people and this is the way to get it. I will ask the Senator from Kansas if, after this \$124,000,000, when that vacuum is filled, he thinks that that is the only expansion of the currency of this country that he wants.

Mr. PLUMB. I think Congress could issue as much more as it saw fit to do.

Mr. EVARTS. I do not ask what they can do. I admit that they can do it. My point is that they can do it, and thus they can reissue it out without holding the Federal relations to the people of this country to the money and the measure of money and the creation of money by this Government. The opinion of the Supreme Court was right. The Democratic party has condemned it, but it was right; and there the power is lodged in us. Therefore it comes up on every condition and exigency, that there is the power under the Constitution, and therefore the appeal is so ready, meet the difficulty by issuing paper money.

But the Senator has not answered my question. Is \$124,000,000 the only expansion of paper money that he would have for this Government?

Mr. PLUMB. So far as that is concerned I suppose that is one of those questions that will answer itself from time to time.

Mr. EVARTS. Exactly, and there is the terrible difficulty. Whenever it is easier to print our Government money for the exigency then is the time to print it.

Mr. VEST. Mr. President, the argument of the Senator from New York resolves itself into this, that he prefers to give the power to ex-

pand and contract the currency of the United States to the national banks rather than to the representatives of the people in Congress assembled.

Mr. EVARTS. If the Senator will allow me a moment, I have not said a word about the national banks.

Mr. VEST. But I say that is the result because that is the present system, and to that we object specifically. Under the law as it now stands, and which I assume the Senator from New York does not propose to change or amend, the national banks of the United States can contract or expand the circulation of the people as they see proper.

Now, sir, for myself, in a representative government I infinitely prefer to give that power to the representatives of the people, who are presumed, whether it is actually the fact or not, to know the necessities of their constituents and what is best for the welfare of the country. Under the present system any national bank can bring back its circulating medium, take out its bonds, and contract the currency of the people of the United States to that extent. For every \$100 in bonds deposited in the Treasury they receive \$90 in notes really issued by the Government without any expense to the banks except payment for the plates upon which the notes are printed.

I had occasion the other day to allude in some remarks I made upon this silver question to the extraordinary spectacle presented to us during the Hayes Administration, when the national bankers from all parts of the country thronged the corridors and lobbies of the Capitol and threatened Senators and Representatives with their displeasure if we dared to pass an act that forced the national banks, who are fiscal agents of the Government, to help us fund the public debt. We did pass that bill, and we all remember who were then in the Senate how they clamored around the White House until they secured a veto; how in order to intimidate the Administration they threw the money market in New York into a panic, struck down the value of securities, and then said to the people of the United States, "We are larger than Congress and have brought about what we pleased."

Mr. President, I was astounded to hear my friend from Delaware [Mr. GRAY] state here upon this floor that we proposed by this amendment of the Senator from Kansas to issue fiat money. A grosser misuse of the term was never heard in this Chamber. What is fiat money? It is what the signification of the word carries upon its face, that a piece of paper payable to nobody, in nothing, at no place, at no time, shall be the currency of the country; that the Government of the United States shall put upon a piece of paper "United States of America, ten dollars," and that becomes by the fiat of the Government itself a circulating medium of the United States. Is that a greenback? Is that the sort of money that we propose to put in the place of the retiring notes of the national banks? A greenback is payable by the Government in money, whatever that money may be, gold or silver. It is receivable for public dues; it is payable at a certain time and in a certain place, and it is as different from fiat money as it is possible to conceive a difference between one thing and another.

Mr. BUTLER. Mr. President, if the Senator from Missouri will permit me—

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from South Carolina?

Mr. VEST. Certainly.

Mr. BUTLER. I should be very glad for the Senator to inform the Senate if he can (if he can not I should be very glad for some other Senator to inform the Senate) what amount of money is in circulation to-day.

Mr. VEST. In round numbers there is in circulation in the United States \$1,500,000,000; \$1,440,000,000 is, I think, the accurate statement.

Mr. COCKRELL. And that includes the amount in the banks.

Mr. VEST. That includes the amount not in circulation.

Mr. BUTLER. I was coming to that, if the Senator will permit me to interrupt further. One billion and four hundred and odd million, he says, is the circulating medium of this country.

Mr. VEST. Yes, of all sorts.

Mr. BUTLER. Of all sorts. Now, can the Senator inform the Senate how much of this is in actual circulation? how much is held in reserve by the national banks, in the Treasury, and in the State banks and in various vaults? If the Senator can do that he will confer a very great benefit upon me certainly, and I think upon the country.

Mr. VEST. I stated the other day, I think, in some remarks I made upon silver, which will be found in the RECORD, the exact amount, taking out what are called the reserve funds not in circulation. It amounts to about \$20 per capita among the 63,000,000 in the United States. France has \$47.

Mr. SPOONER. Fifty-odd dollars.

Mr. VEST. Fifty-seven dollars, possibly. England has a larger amount than this country, and so has Germany. There is in the United States, in round numbers, without giving the numbers exactly, \$650,000,000 in gold, \$450,000,000 in silver, and \$400,000,000 in paper money, making within the near vicinity of \$1,500,000,000. We canceled last year, according to the report of the Treasury Department, \$22,500,000 of national-bank notes.

If the predictions of the Senator from Ohio made repeatedly upon

this floor as to the effect of free coinage be partially realized, what will be the condition of this country unless we adopt some such provision as this? If it be true that the free coinage of silver will take out of this country even partially a large amount or even half of the \$650,000,000 of gold, what is to take its place when we add to that the cancellation of the national-bank notes from year to year? Instead of having our proportion of currency, of the world's money, which is necessary to carry on the business of this country, \$1,500,000,000, we shall take out of it \$650,000,000 of gold, if the Senator from Ohio be absolutely correct, or one-half of that amount even if he approximates to it; and in addition to that year by year we are diminishing the amount of paper money by the cancellation of the national-bank notes.

Mr. President, it is not a question of power; it is a question of expediency. The United States Supreme Court and the Senator from New York and every intelligent lawyer—

Mr. EVARTS. I stated expressly it was a question of expediency; and that is the trouble about it.

Mr. VEST. Yes, it is a question of expediency, and that question, I say, is to be determined by the representatives of the people and not by the national banks; and that is the issue here and now upon which we are expected to vote.

If we continue the present system, if we continue the cancellation of the national-bank notes and continue at the same time in the national banks the power to contract the currency, no man can predict it with certainty; but it may be that the entire volume of the national-bank currency will go out of circulation and be retired, because our bonds are now steadily increasing in value, and, as we all know, the larger banks in the country are retiring their circulation and taking out the bonds on account of the premium that is being added to them from day to day.

There has never been in the United States a currency so popular among the people as the greenbacks. There has never been any species of money which has so well met the necessities of business in all portions of the country. Silver has been too cumbersome. Gold has been used simply for exchanges and as the basis of credit. As my friend from Alabama said to-day, it is not now and has not been for years serving the purposes of currency among the people. But greenbacks (for which, let me say to the Senator from New York, every acre of land, every pound of produce, every sinew and muscle in the United States is pledged) command the absolute confidence of the people, and from their very nature can be passed from hand to hand more easily, and therefore can more fully meet the necessities of business.

Mr. BUTLER. Mr. President, I have been a good deal confused by the various statements made upon the floor of the Senate in regard to the question which I put to the Senator from Missouri awhile ago, as to the amount of circulation now used by the American people. When I use the term circulation I mean that which is in actual circulation, not money which has had the stamp of the Government upon it and may be a legal tender or may be money in any sense, but how much is in actual circulation in this country?

I heard my friend, the Senator from Kansas [Mr. PLUMB], state here at the last session of Congress that, in his judgment, making allowance for all the reserves held by the banks and by the Treasury, etc., there were not over \$600,000,000 in circulation. Perhaps I may be under the mark. If that be true, not only is there not \$24 nor \$22 nor \$21 per capita in circulation, but there are not \$18 per capita in circulation in this country.

Mr. ALDRICH. Not \$10 according to the Senator's computation.

Mr. BUTLER. The Senator from Rhode Island says not \$10.

Mr. ALDRICH. According to the Senator's own computation, if there are 62,000,000 of people, there is not \$10 per capita.

Mr. BUTLER. The Senator says not \$10.

Mr. ALDRICH. I say if the Senator's statement is correct.

Mr. BUTLER. I am simply quoting from the statement made by the Senator from Kansas. The Senator from Rhode Island says not \$10, and the Senator, I believe, would be content with that condition of things in this country.

Mr. ALDRICH. If the Senator will permit me, I have not said anything of the kind.

Mr. BUTLER. What did the Senator mean by the interruption, then?

Mr. ALDRICH. I was trying to help the Senator out by making the computation.

Mr. BUTLER. Ah! Mr. President, when I want the Senator's assistance I will call upon him. I should be very much obliged to him if he would not come to my rescue until I ask his assistance. [Laughter.]

I say, if the Senator from Kansas is right, there is not only not \$21 or \$20 or \$18 per capita, but, as the Senator from Rhode Island says, there is not \$10. I confess very frankly that I have not regarded the question of the amount of currency per capita in this country as a very potential influence, but the financial officers of this Government have put themselves to a great deal of trouble to prove the fact that a large part of the financial transactions of this country is done by what are known as checks and drafts.

In the report of the Director of the Mint, which I hold in my hand,

he establishes the fact that 88 per cent. of the financial and commercial transactions of this country are performed by checks. That is misleading. It misled me. When we remember that only those people can pay their bills by checks upon banks who have a bank account and that thousands and millions of people in this country who have no bank account must transact their financial business by the actual delivery of the money itself, I say the statement that 88 per cent. or 90 per cent. or 95 per cent. of the business of this country is done by checks is misleading, and there is required for the transaction of business a very large volume of money to pass from hand to hand in the affairs of the people of this country. You can not pay your railroad fare by check, you can not pay your street-car fare by check. You can not pay the freight upon railroads by check in the majority of instances.

Therefore I say it is important that the volume of currency shall be large enough to meet the business requirements of the people of the country; and, as my friend from Missouri has suggested, I should prefer, for one, to leave that question to the representatives of the people of the country rather than to any organization of financiers anywhere.

I find in the report of the Director of the Mint for 1889, which is the last one I have been able to get, a table which I shall read, which exhibits the estimated stock of metallic and representative money in the United States, and the location of the same, January 1, 1890.

Mr. COCKRELL. From what page does the Senator read?

Mr. BUTLER. From page 48:

Location of the moneys of the United States, January 1, 1890.

Moneys.	In Treasury.	In national banks (December 31, 1889).	In other banks and general circulation.	Total.
METALLIC.				
Gold bullion.....	\$67,265,944			\$67,265,944
Silver bullion.....	11,626,395			11,626,395

Of course that must be deducted from the currency.

Gold coin.....	246,401,951	\$71,910,467	\$303,696,645	622,009,063
Silver dollars.....	238,535,500	6,459,483	54,943,018	349,938,001
Subsidiary silver coin.....	21,927,927	4,089,243	50,807,058	76,824,228
Total.....	635,757,717	82,459,193	409,446,721	1,127,663,631

PAPER.

The Senator from Wisconsin [Mr. SPOONER] suggests to me that gold coin and silver coin in the Treasury are represented by gold and silver certificates. That I admit, but there must be deducted from the stock of metallic and representative money the gold coin, silver dollars, gold bullion, and silver bullion.

Mr. SPOONER. Not from the currency of the country.

Mr. BUTLER. Yes, from the currency of the country, because the gold and silver coin is in the Treasury. It is not in circulation. The gold bullion is not in circulation; the silver bullion is not in circulation. Then when we come to "paper" we find in the same table from which I have just read:

Legal-tender notes.....	15,673,925	\$1,493,894	246,516,197	346,681,016
Old demand notes.....			56,442	56,442
Certificates of deposits.....	570,000	9,000,000		9,570,000
Gold certificates.....	31,316,100	77,408,260	45,577,629	154,301,989
Silver certificates.....	2,252,966	11,422,004	271,527,069	285,202,039
National-bank notes.....	4,500,355	22,780,071	169,949,979	197,230,405
Total.....	51,313,356	205,101,229	733,627,316	993,041,891

That is a paper currency aggregating \$993,041,891 against \$1,127,663,631 of metallic money. That is all the money there is in the country. How much must be taken from those two amounts to indicate and show how much actual money is in circulation among the people? The Senator from Massachusetts [Mr. DAWES] tells me that he can not tell with any accuracy how much that is. I had hoped that I might get some assistance from my distinguished friend, who is always accurate and whose assistance I invoke to tell me just how much there is; but, if the Senator from Massachusetts is modest about it and can not reply, I call upon my friend from Rhode Island [Mr. ALDRICH], who seems to be thoroughly informed.

The VICE PRESIDENT. The Senator's time has expired.

Mr. DAWES. I will help the Senator all I can.

Mr. BUTLER. I shall be delighted.

Mr. DAWES. As soon as I get time I will go around and inquire. [Laughter.]

Mr. BUTLER. That is surprisingly accurate, Mr. President.

Mr. ALDRICH. I ask that the vote on the pending question may be taken by yeas and nays.

The yeas and nays were ordered.

Mr. HARRIS. I think the yeas and nays were heretofore ordered.

Mr. COCKRELL. What is the question?

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Kansas [Mr. PLUMB].

Mr. ALDRICH. The first amendment.

The VICE PRESIDENT. The last amendment has been withdrawn. Mr. COCKRELL. No, the last amendment has not been withdrawn. The Senator from South Carolina [Mr. BUTLER] was making a specific inquiry in regard to the amount of money. I have in my hand the report of the Director of the Mint for the year 1890. On page 77, he says:

The number of silver dollars in circulation, that is, outside of the Treasury vaults, was on June 30, 1890, \$56,278,749, against \$54,457,299 at the commencement of the fiscal year, while the number of silver dollars owned by the people, that is, silver dollars and silver certificates in actual circulation, aggregated \$333,834,987, against \$311,612,864 on July 1, 1889. The number of silver dollars owned by the Treasury on July 1, 1890, was \$15,591,479, against \$21,889,786 on July 1, 1889. The total amount of metallic and paper money in the United States July 1, 1890, exclusive of the holdings of the United States Treasury and of the silver bullion in the vaults of the Mercantile Safe Deposit Company, was \$1,429,307,302, a per capita, reckoned upon a population of 63,000,000 people, of \$22.68, against \$1,380,418,091 at the commencement of the fiscal year, an increase of money in circulation of \$48,889,211.

The Director of the Mint estimates that there was in the United States of metallic and paper money, exclusive of the amount in the United States Treasury and the silver bullion in the vaults of the Mercantile Safe Deposit Companies, \$1,429,307,302. There was in the national banks and in the State banks, savings institutions, etc., on the 18th day of last July, which was very near the date this estimate was given, \$478,316,694. This was the amount that was necessary to be kept in these banking institutions to meet the business day by day and week by week and month by month, and consequently that amount could not circulate, and in round numbers \$478,000,000 is to be deducted from the \$1,429,000,000.

Mr. BUTLER. How much does that leave now?

Mr. COCKRELL. I have not made the calculation. I made a calculation upon a different basis from that of the Director of the Mint. It leaves less than a billion dollars.

Mr. BUTLER. How much per capita?

Mr. COCKRELL. Deducting that amount, in the neighborhood of \$15 per capita, counting the population at 63,000,000. I made a calculation of my own from the reports of the Comptroller of the Currency and the Director of the Mint combined, and I made a total of money in the United States of \$2,212,913,911. Now I deduct from that the metallic money in the Treasury, \$647,056,354, and the paper money in the Treasury, \$57,353,426, making a total in the Treasury of \$704,409,780, and that left \$1,508,504,121 outside of the Treasury; and that consisted, according to my figures, of \$533,179,823 of metallic currency and \$975,324,298 of paper money, and it included silver bullion of \$9,500,000, leaving a total outside of the United States Treasury of \$1,499,004,121. That would give a per capita of \$23.80. Take from that the amount of \$478,316,694 in the banks, and that would leave \$1,020,687,427, or \$16.20 per capita. That is the largest amount that can possibly be used in the business of the country from day to day.

Mr. BUTLER. If the Senator from Missouri will permit me, I shall be very glad to ask him a question in that connection. If this contraction of national-bank currency continues until the entire amount goes out of existence, which I believe is \$124,000,000, will not that amount be reduced by \$124,000,000?

Mr. COCKRELL. Inevitably. Of course, that will be a reduction of \$124,000,000.

Mr. HALE. Mr. President, to this complexion has the Senate come. It is not the silver question that is at this moment being debated. It is not the silver question that is presented by the amendment of the Senator from Kansas [Mr. PLUMB]. It is not the question of the gold standard or the silver standard or the bimetallic system. It is the question whether or not now the Government shall embark in the scheme of issuing money, its own paper upon an assumed emergency; and I desire briefly to call the attention of the Senate to the distinction which has arisen in this debate and the departure which has been made from the subject-matter that is properly here.

Though representing an Eastern community I have never been in a condition of great affright at the introduction of the silver question as associated with the currency of the country. I never believed, when it was predicted three years ago from New York, that the issue of the silver certificate would drive gold from the country and bring about a panic and bankruptcy and business destruction. I believed in the bill that passed in the last session of this Congress, and I am not to-day, though not prepared to vote for every feature of the free-coinage amendment which has been introduced and adopted as part of this bill, one of those who despair as to the business of the country should the measure pass.

But, Mr. President, that the Government should now start upon that road which has ever had but one ending, and should begin in time of peace, under an assumed emergency, to issue its own paper, with nothing behind it to meet that assumed emergency, is another and graver and deeper and more terrible question, and that is the question before the United States Senate. There never has been but one road that has been followed in that direction. I go further in saying what I would be willing to accept and would not despair. I am not so much alarmed at the question of the country being able to absorb the currency that is provided for in the amendment of the Senator from Kansas, but that is but the beginning.

I tell Senators, not assuming any spirit of prophecy, but simply looking to the road that all other peoples have traveled, that if Congress at this session authorizes the issue of this currency, this fair governmental currency, to the amount of \$200,000,000, in the next Congress there will come to this Senate from the other branch of the Government, if it is not originated here, a proposition that the entire remnant of the national debt shall be paid by Government issues of the kind which are covered by the amendment of the Senator from Kansas. Senators before voting for this amendment should be prepared to take into consideration what will occur in the future.

Without going into this question, without it being possible to go into it, I simply wish to call the attention of the Senate to the distinction, as I have said, which has arisen in this debate, and the Senator from Kansas will find, if his amendment passes, that before he and I are one year older he will learn that he has started that devil's dance of inflation which ever had but one ending.

Mr. MORGAN. Mr. President, it is reported to the Senate of the United States, through the advice of its Committee on Finance, that the complexion of the country on the subject of money and finance is very bad, very unhealthy indeed, so much so that the honorable Senator from Ohio [Mr. SHERMAN] thought it was necessary to borrow \$200,000,000 upon bonds payable in gold fifty years after date, in order to splice out the credit of the country and in order to supply more national-bank currency. The object of that demand for a loan of \$200,000,000 was simply and only that the national banks of the United States might be thereby induced to take the bonds and issue \$200,000,000 of national-bank paper.

Now, the national-bank paper, according to the terms of our laws, is redeemable in greenbacks, so that when that paper became due we should either have to issue \$200,000,000 of greenbacks and redeem that national-bank issue, as demanded by the Senator from Ohio as a member of the Committee on Finance, or else to do something else to get the gold to redeem it.

In the length of time that is required for the redemption of that money we should not be able to get the gold together if we confined ourselves to a gold standard. It is impossible. Let me ask whether there is any more danger in an issue of \$100,000,000 or \$150,000,000 or \$200,000,000 of Treasury notes, greenbacks, redeemable in coin at the Treasury of the Government, than there is in an issue of \$200,000,000 of national-bank notes based upon our own obligations? After all, Mr. President, there is nothing at the bottom of the national-bank note except the credit of the United States. In a time of emergency and a time of war we were compelled to issue bonds in order to raise money to carry it on.

This is not a time of war, it is a time of peace, and we want to borrow \$200,000,000 more of money for what? What do we want it for, except merely to sustain the circulation of national banks? Thereupon we authorized the national banks to issue 90 cents upon the dollar upon those bonds when they are deposited in the Treasury as collateral. What is the basis of that? That is the promise of the United States to pay a bond as good as gold or as good as silver, as good as any redemption fund that was ever in the world, the taxing power being behind it, in order to enable the Government to raise money whenever needed to redeem or pay those bonds. So that the bond the Senator from Ohio proposes in his bill here to issue is simply based upon the taxing power of the United States, upon its credit.

There is no fund provided for the redemption of this bond, no gold or silver fund in any way provided for it, and the matter, as I said before, is just as broad as it is long. There is not one single piece of paper today, bond, certificate, Treasury note, national-bank note, or anything else that is not based upon the credit of the United States.

The Senator from Maryland [Mr. GORMAN] suggests there are \$100,000,000 behind the greenbacks. Well, how did it get there? It did not get there by an act of Congress and it was never necessary to have it there. It has been a fund there merely for the purpose of reducing the amount of gold in circulation in the United States.

Mr. GRAY. The Senator from Alabama says there is no difference in the ultimate analysis between the Treasury note proposed to be issued by this amendment, the greenback, and the national-bank currency which is secured by the bonds of the United States. I should like to suggest to him that the bonds of the United States are issued for money actually received into the Treasury from the lender, money borrowed, which puts a responsibility on the Government, on one hand, which receives it, and creates an obligation in favor of the one who lends it.

There is in that transaction the self-limiting, self-guarding, and protecting feature that there is an actual money transaction between the borrower and lender, and upon the bond to secure that debt the national-bank currency is secured, while, upon the other hand, the greenback or Treasury note proposed to be issued by this amendment rests upon no money transaction at all, but merely upon the fiat or will of the Government to issue from time to time as many of these pieces of paper as it sees fit or as the majority of Congress may think the emergency requires. That seems to me the essential and all-important difference between the two.

Mr. MORGAN. It is very seldom indeed that the honorable Sen-

ator from Delaware, who is a fine lawyer, is mistaken in a proposition of this kind. The Senator from Ohio has a proposition to borrow \$200,000,000 of money—gold, we will say. To what purpose does he expect to apply that? He says he intends to pay off the bonds that are now existing, the debt we now owe. Now, if the Senator from Ohio has to borrow that money and put it in the Treasury like the \$100,000,000 that is there, not by law, but by order of the President or somebody else, as a backing for the credit of the Government of the United States to redeem the national-bank notes, then there might be the distinction the Senator from Delaware speaks of.

The Senator from Delaware seems to have forgotten that the purpose of the Senator from Kansas in preventing the restriction of greenbacks is to put merely into another form an obligation that now exists on the part of the Government of the United States, an obligation upon which, when we issued it, we got money, put it into the Treasury of the United States, and spent it in conducting the war or in paying pensions or something of that sort.

That is a past transaction based upon a good consideration which we have received, which we have used, which has disappeared; and the proposition of the Senator from Ohio is a transaction in future based upon the idea that we will borrow \$200,000,000 of money and apply it to the existing debt of the Government of the United States. That is the difference between tweedle-dum and tweedle-dee. It is precisely the same thing. There is no distinction, if my honorable friend will allow me to say so, between the proposition he puts and the one I put. The Government of the United States, when it borrows \$200,000,000 upon these bonds, takes that money out of the Treasury, purposely out of the Treasury, and applies it to the purposes for which it was borrowed; that is, the payment of existing bonds with 25 per cent. premium upon them. That is the fact.

What, then, becomes of your money if the credit of the United States upon which money is issued is fiat credit? Then you have got fiat money, and, if that be so, every bond you have got, every national-bank note, and everything else you have got out, except the gold certificates, silver certificates, or coin certificates, is either fiat money or fiat obligation. If we can convert the outstanding bonds of the United States into greenbacks without hurting anybody, we merely change the form of obligation without changing its substance. We stand exactly where we stand now, not increasing the circulation one dollar, and relieving the country from the necessity of raising money by taxes to pay in gold coin the outstanding bonds. That is the situation.

I submit to the honorable Senator that there is no trouble or danger about this. It is a mere change of the form of security, the securities to be issued in the form of greenbacks resting precisely as the bonds rest now upon the credit of the United States, and that rests upon the taxing power and the honor of the people.

Mr. HALE. Will the Senator let me ask him a question?

Mr. MORGAN. Yes, sir.

Mr. HALE. I am obliged to the Senator for being so frank and for declaring that no harm would come if there were substituted for the bonds of the Government which are out now the currency of Government money, thereby saving taxation. Now, has the Senator in his mind, in this great scheme he advocates, the issuing of this money, any limitation except what has been indicated by those who favor this amendment, what is called the emergency of the times?

Mr. MORGAN. There is no limitation now except the taxing power and the honor of the Government of the United States. I should make a limitation. I have always said I would make a limitation by making broader and larger and more extensive the basis of coin redemption, the power of coin redemption.

The VICE PRESIDENT. The Senator's time has expired.

Mr. HALE. As to the issue of Government money, that is no limitation, as I understand the Senator.

Mr. MORGAN. I have just stated the limitations.

Mr. REAGAN. One moment only. While the suggestion of the Senator from Delaware [Mr. GRAY] that the national-bank notes have bonds behind them for which the Government has received the money is theoretically true, the statement as made by the Senator is practically misleading in this: While it is true that these bonds were sold for money, that money has long since been expended and does not exist in the Treasury now for the redemption of these bonds, and their redemption rests upon the taxing power of the Government and the capacity of the people to pay taxes. So that there is no more security in that respect behind the national-bank paper than there would be behind the notes proposed to be issued under the amendment of the Senator from Kansas.

Mr. BUTLER. Mr. President—

Mr. PLUMB. I withdraw the amendment which I offered.

Mr. BUTLER. I move to amend the Senator's amendment by striking out the last two lines, for the purpose of making an observation.

Mr. HALE. Is there an amendment pending?

Mr. BUTLER. The Senator from Kansas has withdrawn his amendment. I have offered an amendment for the purpose of replying to the observations of the Senator from Maine [Mr. HALE].

I have not now or at any other time manifested, either by my voice or by my vote, a disposition to have this Government embark upon

what is known as the issue of fiat money. I think, if I have erred at all, it has been upon the side of conservatism in that respect, and I do not intend, for one, that the Senator from Maine shall put me in that category if I can prevent it.

The amendment of the Senator from Kansas does not contemplate anything of the kind indicated by the Senator from Maine, if I understand it. It does not propose to embark upon the untried and unknown sea of fiat money. On the contrary, if I understand it correctly, it is confined to supplying whatever deficiency takes place by reason of the retiring of the national-bank notes. Is not that all, Mr. President? That is all there is of it; and yet upon that proposition, which seems to me to be entirely fair and conservative and lawful and within the bounds of reason, the Senator from Maine admonishes us, admonishes the Senate and admonishes the country, that we are about to embark upon the business of issuing fiat money and that there is no limit to it. That is about the proposition, as I understand the Senator from Maine.

Now, sir, I do not propose to embark in any such thing, but I do propose, if I can, by my vote to provide for the people of this country what they have a right to and what they demand, and that is a reasonable—I will not say a sufficient, but reasonable—amount of circulation for the transaction of their business. When that proposition is made we are told that the country is to be flooded with an irredeemable, irresponsible currency in the face of the fact that the Supreme Court of the United States has decided, and the country has acquiesced in that decision, that the greenback issues of the Government are a legal tender for all debts and a legitimate currency for the transaction of all the business of the people.

What is behind the greenbacks? The Senator from Maine says nothing is behind them. Fiat money! Mr. President, every acre of real estate in this country stands mortgaged for the payment of every issue by the Government of the United States which is not sustained by a dollar in coin in the Treasury as a basis for its security, and yet the Senator from Maine attempts to put those of us who are willing to supply the deficiency created by the retirement of national-bank notes by the issue of the money which is recognized in this country and in the world as legitimate, in the category of being fiat-money men, who are willing to embark in time of peace, as he says, on a sea of speculation and uncertainty which knows no limit and to which there is no end.

I do not propose for one to occupy that position, and in advocating and voting for the amendment of the Senator from Kansas I feel that I am simply responding to the demand of the people of this country, which is legitimate, reasonable, allowable, and unavoidable, as the Senator from Alabama [Mr. MORGAN] says, in supplying that amount of currency which is necessary for the transaction of their business.

While I am on my feet I beg leave to say that the Congress of the United States finds itself in this position, embarking, as it proposes to do, on a line of financial relief for the great body of the people of this country, for the relief of the millions of men who do not have bank accounts against which to draw checks, we are met by a proposition from certain money centers of this country, which I need not mention, by a sort of "stand and deliver" attitude: "Adopt free coinage, give the people the currency they want if you dare, and we will precipitate a panic upon this country which will reverberate and echo and re-echo to its remotest confines." That is about the position in which we find ourselves.

For one, Mr. President, entertaining, as I believe I do, as profound a regard for the credit of this Government as any man in it, and standing, as I would to the last moment, to pay every cent of its indebtedness, I, for one, do not propose to be intimidated in the line of my duty either by the suggestion of the Senator from Maine that thereby I put myself in line with irresponsible fiat-money men, nor by the dictation of men who, in the twinkling of an eye, can so contract this currency as to make almost every man on this hemisphere feel it. I do not propose to be deterred by either in voting for this amendment. I feel that I am doing a very conservative and a very proper and a very reasonable thing.

Mr. COCKRELL. Mr. President—

Mr. HALE. Is any question pending?

Mr. COCKRELL. There is an amendment pending, Mr. President.

The VICE PRESIDENT. There is an amendment moved by the honorable Senator from South Carolina [Mr. BUTLER].

Mr. COCKRELL. This bill has got now into—

The VICE PRESIDENT. Does the Chair understand the Senator from South Carolina to withdraw his amendment?

Mr. COCKRELL. No; he has not withdrawn it.

Mr. BUTLER. No, I have not; but I will withdraw it after the Senator gets through.

Mr. COCKRELL. This bill has gotten into a very important condition now. Practically free coinage has been adopted as a substitute for a portion of the bill, and now the motion of the Senator from Kansas [Mr. PLUMB] is pending. It is a very important motion. It is now nearly 10 o'clock at night, and I do not see that there is any reasonable prospect for an intelligent, careful disposition of this bill to-night. We should be perfectly willing, I think, to remain here if it would lead to an intelligent and fair disposition of the bill.

I would therefore suggest that we have the bill as it is now amended, and the proposed amendment of the Senator from Kansas printed, that we adjourn, meet at whatever hour may be fixed upon to-morrow, and then, at a given time to-morrow, take a vote and discuss under the five-minute rule, or the ten-minute rule, until a certain hour, say 4 o'clock, and then after that have no discussion and dispose of the bill in that way. I suggest some such arrangement as that. It seems to me it would be in the interest of the bill and in the interest of legislation proper.

Mr. HALE. The Senator, of course, has not forgotten that when last night a change in the agreement was made to enable certain Senators to speak in the general debate it was assumed upon all sides that we would finish this bill to-day. The Senator himself joined in that debate, and it was said generally in many quarters, on that side of the Chamber as well as on this, that of course we would finish the bill to-day. Senators undoubtedly came here with that expectation, and have sat here with that expectation, and I have rarely seen during this session so large a number of Senators present at any time as there are at the present moment. It seems to me, under these conditions, connected with what was commonly agreed to and stipulated, that we are in duty bound to finish this bill to-night and to give way to other pressing business.

The number of days that can elapse between now and the 4th of March, in which all the accumulation of the business of this Congress must be done, is few, and every hour that this debate is prolonged only adds to the likelihood of other important measures being pressed aside. Therefore I hope the Senator will not, under these conditions, urge his suggestion, but that we may go on and pass upon the bill and conclude it as we agreed to do.

Mr. COCKRELL. As a matter of course, we all understand what the agreement was yesterday evening—unanimous consent—and that agreement embraced two speeches from the Democratic side of this Chamber, and neither one of them has been made. You had the entire time. I make this proposition in the interest of the transaction of business. I do not think, in the condition which you have gotten this bill now, with the points which have been raised, that you will be able to dispose of it to-night.

Mr. HALE. The Senator will remember that there has been no general debate to-day except on the part of the advocates of free coinage. Those opposed to that have been content either to say nothing further or to take part in the ten-minute debate, but all the time that was extended last night was for the benefit of Senators upon the side that the Senator from Missouri has taken his stand upon, and they consumed the time. So that there has been nothing done upon this side of the Chamber opposed to free coinage in the general debate to-day.

Mr. COCKRELL. And the day before was taken up by those who were opposed to free coinage, by the Senator from Ohio [Mr. SHERMAN], the Senator from Iowa [Mr. ALLISON], and others.

Mr. HALE. But the extension certainly was given for the benefit of the friends of free coinage.

Mr. COCKRELL. I will not insist upon the suggestion I have made. I am simply stating that, in my judgment, it will facilitate the disposition of business; and the Senator from Maine will realize that the suggestion I have made is an appropriate one and a pertinent one.

Mr. ALDRICH. I suggest to the Senator from Missouri that we agree to take the vote to-night without further debate.

Mr. COCKRELL. We will carry out the agreement we made yesterday and no other.

Mr. ALDRICH. We might vote without further debate at 11 o'clock to-night.

Mr. MORGAN. I was not here yesterday when that agreement was made. Of course I would have acquiesced in it, and I will do everything I can to carry it into effect, regarding it as a binding obligation. But the vote taken to-day on the amendment of the Senator from Nevada [Mr. STEWART] has changed the whole aspect of this bill. That vote and the vote, as I understand one has been taken, striking out the part of the bill that was reported from the committee for borrowing two hundred millions of money changed the whole aspect of the bill. If the bill as it stands now becomes a law it involves two very important new considerations, just as new as if the bill had been two hours ago reported.

Those considerations are, first, whether or not the coinage of silver will be sufficient to supply the deficiency of our shrinking national-bank currency in consequence of the falling due and payment of our bonds; the other consideration is whether or not the national banks ought to be provided with some new basis of credit, or whether the Government of the United States ought to come in and use its own Treasury notes for the purpose of relieving the cramp upon the people of the United States made in consequence of the falling due of the bonds and other withdrawals of currency which we had no power to control.

In that aspect of the case the bill is entirely new, and certainly Senators will admit that there was never before this body a more important bill and there never was a bill that addressed itself to the American people at a more critical moment, for what we do here this night, whether it is done by 11 o'clock to-night or 5 o'clock to-morrow morning, is going to have a very marked impression upon the United States.

upon its destiny, upon all the people that we are representing here; and there is nothing in the history of legislation past, present, or prospective which ought more deeply to concern Senators in this body than to provide the best way that we can to relieve the people of the United States of the involvement which has grown out of our own legislation.

There is not a trouble-to-day of a financial character before the people of the United States which is not the child of our legislation. It is a vast mass of intricate provisions of law of one kind and another, and another, and another, which, combined together, as long as we can hold it and make it all work, is a good system, but when a wheel gives way we have got to supply another. It is arbitrary and artificial in the highest possible degree. There is not one natural financial element that runs through the whole system, it is all artificial, and when we put a new power, a new force, a new category into our legislation, it becomes us to look around with a great deal of care to see what effect it is going to have.

So I do not think that a Senator who has sat here since 10 o'clock this morning is in a frame of mind to give the very best possible consideration to this great and all-pervading question. I hope some little delay may be given to us, no matter what political party may suffer by it.

Mr. FRYE. Mr. President, it is an unfortunate thing and will be an unfortunate thing in the United States Senate not to abide by agreements. Over two hours of the debate this evening have been in direct violation of the agreement entered into. The agreement was that this debate should proceed under the ten-minute rule and that no Senator should address the Senate more than once on any pending amendment. That is distinct and clear. There is no chance to misunderstand it, and yet to-night, for the first time since I have been in the Senate, that rule has been violated, and Senators have been offering *pro forma* amendments for the purpose of debating a second time a pending amendment.

The Senator from Connecticut [Mr. HAWLEY] did it, undoubtedly because he was a member of the other House formerly and that was the custom in the House, and he did it without thought. Since that Senator did it, one or two others have, and the result has been that we have been running this debate for over two hours in clear violation of the spirit of the agreement made. I do not believe the Senate should enter upon that, and I say these words now simply that the next time an agreement is made this will not be used as a precedent.

Mr. PLUMB. The condition of things is just this: The Senate has changed the whole theory of the proposition pending before it as it was reported from the Finance Committee, and certain other things logically follow, one of which I think is the amendment which I have offered. I have two other amendments, which I shall be glad to offer when the proper time comes, which, I think, ought to be discussed. I do not say anything now as to their merits; but whatever we do here now is to be, so far as the Senate is concerned, the expression of this body upon the financial situation, present and prospective. It may be that we ought to sacrifice, as a mere matter of time, other things which ordinarily might be of a little more consequence.

I agree whatever the Senate has set down as its Order of Business ought to be maintained, and I say now, if the Senate says we shall stay here and sit this thing out and take the chance of indifferent debate, when we are all sleepy and tired, I will stay as long as other Senators; but it does seem to me, in the present attitude of things, we can very well afford, as a matter that is relevant to the public interests, to postpone this bill for twenty-four hours longer, and to take some time to-morrow, after we have come here refreshed and have had some time to consider these things irrespective of debate, and take this matter up again and dispose of it so as to be consistent with the dignity and apparent usefulness of this body.

Mr. TELLER. The silver question is practically disposed of. We have been now for two hours and a half upon a matter dealing with an entirely different question, a question which I regret very much to see attached to a silver bill. It is a question which, it seems to me when we enter upon it, we should enter upon with a great deal of care and with a great deal of examination.

I have no doubt that the day will come when we shall be compelled to provide some system of currency to take the place of the departing greenbacks, and some system of national currency to keep up with the growth of the country and the growth of its population and business; but, as I said the other day, my judgment is irrevocably fixed that it must be upon a metallic basis. In that idea I have been educated and trained. One of the things which have been thoroughly fixed in my mind is that whenever we do provide for the issue of paper money we must put back of it some redemption or else we shall ultimately come to an absolutely inconvertible paper basis.

I regretted the other day to see the Senator from Ohio [Mr. SHERMAN], who has been considered the very safest of financiers in certain circles, if not all over the country, come in with section 3 of the amendment which he proposed to the bill.

SEC. 3. That whenever the circulating notes of national banks, including such notes in circulation, but represented by lawful money deposited by the banks in the Treasury for the redemption of such notes, shall be less than \$180,000,000, the Secretary of the Treasury is authorized and directed to issue United States notes similar in terms and description to the United States notes now outstanding to an amount equal to the retirement of national bank notes below the said sum of \$180,000,000. And such notes shall have the same qualities and be a legal

tender and be received, redeemed, and reissued in the same manner and to the same extent as other United States notes.

There was nothing back of that. There was no provision in that for redemption, and if the amendment of the Senator from Kansas [Mr. PLUMB] is objectionable, then the amendment offered by the Senator from Ohio, a member of the Finance Committee, is also objectionable.

I believe I have voted for the issue of greenbacks since I have been here, and I am very confident that, accompanying that, was a provision for their redemption. I am morally certain that I never voted for an issue of greenbacks where the bill providing for the issue did not specifically provide for the preservation of the public credit by providing for their redemption in international money.

I said the other day that we had reached a period in our history where we have to take the metallic basis or we have to take paper. I insist that we ought to take the metallic basis as the only safe basis for the issue of paper money. There has never been, as I said then, an issue of paper money which has not been abused which did not provide with the issue the basis for its redemption, and I for one, while I wish to increase the amount of money in this country, will not vote for any proposition which does not carry with it that feature. When it provides for the issue it must provide at the same time for the redemption. A reasonable amount must be put in the lockers of the Government so that the citizen who holds the Government's paper can always go and demand international money if he wants it.

You may say what you please about the faith of the Government, but the faith of the Government does not make money in the sense that the people understand it. They want to know that they can go to the Treasury Department with their paper money and get what the world recognizes as money for it; and any system which is not based upon that, whether it comes from the Senator from Ohio or whether it comes from anybody else, ought to be antagonized in this conservative body.

Mr. SHERMAN. Mr. President, the Senator from Colorado has the most peculiar manner of debating an important proposition of any man I ever met. He knows very well the proposition I made for the retirement of national bank notes was made in a conference which I can not discuss. It was made as a means of avoiding what I regard as a great national danger: the attempt to establish alone the free coinage of silver. The Senator from Colorado agreed to that proposition.

Mr. TELLER. If the Senator will allow me, I never did agree to that proposition. I understood that the proposition was made by the Senator from Ohio before any conference was held. I never did agree to it here or anywhere else.

Mr. SHERMAN. I say here, in the presence of witnesses, that although the Senator from Colorado was not present when the matter was first proposed, when we were seeking to avoid the danger which now threatens the people of the United States, the proposition was made that temporarily United States notes should be issued to take the place of the retiring national bank circulation. In the presence of gentlemen who know, I say that the Senator from Colorado agreed to that proposition. That is enough on that subject. I can not say any more, and every Senator here understands why I can not.

Now, let me go a little further. There are two propositions and two modes which have been proposed for supplying an additional amount of currency, and they are totally opposite to each other. The one was by the free coinage of silver, which provided for the issue of Treasury notes to an unlimited amount, not bounded by the productions of this country or any other, but bounded by the productions of the world, with \$3,800,000,000 of silver in sight in the treasuries of existing nations.

To avoid either contingency, to avoid the proposition which has received the support of a majority of the Senate, we did go on this side of the Senate in the endeavor to find an increased basis for paper money, but we did provide that when bank notes were retired their place should be supplied by United States notes. That, however, was accompanied with other provisions, which, in the judgment of the gentlemen who agreed to them, would have dispensed with the possibility of the necessity of supplying the deficiency caused by the retirement of national bank notes, a proposition which would have supplied the banks a basis for increased circulation, and that, in my judgment, would have enabled the banks not only to maintain their present currency, but probably to have somewhat enlarged it.

That was a proposition that we should issue 2 per cent. bonds to a limited amount, and with the proceeds of those bonds fund an equal amount of the public debt. That could be done with great advantage to the people of the United States by the saving, as I showed the other day, of a considerable sum of money in the process of refunding, and if those bonds could be made the basis of circulation it would prevent the happening of the contingency which has been apprehended, if it should happen by the issue of the United States notes. That is the real fact about it.

I believe that that proposition, freed from the free coinage of silver, would be a wise one, and I say now that I should be willing to vote for that proposition and the proposition of the Senator from Kansas in order to supply the void in the currency and, without hesitation, to pledge the faith of the United States to issue notes, and I would back

those notes with a reasonable reserve. I think the power to redeem those notes is already almost a sufficient reserve.

That proposition was made with the view of evading that very thing, and now the question is presented at this hour, approaching midnight, of giving a double mode of issuing paper money in this country, one for silver bullion without limit at 20 per cent. premium above its cost in the markets of the world, the other to issue greenbacks to supply the place of the national-bank notes which are retired.

These two propositions are put together and we are expected to vote for them, and I am chided because I agreed reluctantly to what I did not want to do, but the contingency was provided against. Now, we are expected to take both medicines, both plans, entirely inconsistent with each other, and I say, for one, I will not do it; and I say to gentlemen on the other side, who have the responsibility in this matter, that they must choose between these things.

I shall vote for no proposition whatever on this bill to increase the issue of paper money, believing that the single feature which has been agreed to by the majority of the Senate will furnish enough money and more than enough to supply all the demands not only of business, but of all the speculators and gamblers in this country. With that view, I will vote for no proposition which will add to this danger of paper money.

Mr. TELLER. Mr. President, I move to strike out the last line of the amendment, so that I may be in order, following the precedent which has been set, though I do not like to follow it. I suppose, however, under the circumstances I am justified in doing it.

The VICE PRESIDENT. The question is on the amendment of the Senator from Colorado to the amendment.

Mr. TELLER. If the Senator from Ohio, who is always sure of his facts, will look at the bill I hold in my hand, he will find that he offered that amendment on the 6th day of December, which was certainly two weeks before there was any effort made to come to the arrangement he speaks of.

The Senator will also remember, if he will endeavor to recall it, and if he can not there are several Senators who were connected with that conference who will remember, that I insisted that we should buy silver to replace the departing national-bank notes, because the whole conference was upon the supposition that we might not be able to secure the free coinage of silver, and I never did agree to this proposition in any shape. There were also two other members of that conference who did not agree to it and who will bear me out in saying that I did not agree to it.

There was a proposition to buy silver and to issue silver certificates, and then it was said perhaps there would not be silver enough to fill the place of the retiring bank notes. It was then proposed to make up that difference by the issue of greenbacks, and then the proposition, as I remember it, was that there should be back of it not less than 20 per cent. of silver and 20 per cent. of gold. There are at least two Senators who were in the conference who agreed with me that they would not support this proposition.

The Senator says his amendment emanated from a conference. If he will look at the date he will see that it was made long before the conference was held and he was not instigated by any conference to offer the amendment. It originated with himself and nobody else, I presume.

That is all I wish to say, except that the Senator from Ohio or any other Senator may call upon the members of that conference as to the truthfulness of what I state.

Mr. WOLCOTT. "Everything comes to him who waits," and those of us who come from the mineral-producing States of the Union, after having been put in a false position for many years, find ourselves now assuming the right situation. After having succeeded in carrying through this Senate a free-coinage amendment, helped slightly, it is true, by the Senators upon the other side of the aisle, an honest-money amendment, we find ourselves at this hour of the night confronted with a fiat-money proposition, which, when the glare of debate is let in upon it, is understood by everybody except the Senator from Ohio, who seeks to issue millions of dollars of paper money backed by nothing but the credit of the Government, when the rest of us try to have our money backed by honest gold and honest silver in the Treasury of the United States. But, whether the hour be late or early, I trust we may stay here to-night until we have disposed of that heresy and all other heresies which Senators seek to tack on to the free-coinage amendment for the purpose of disgracing and discrediting it. [Applause in the galleries.]

The VICE PRESIDENT. Order must be preserved.

Mr. PLUMB. After that somewhat extraordinary declaration I desire to say a word.

If the Senator wants me to withdraw the vote I cast for free coinage I should be glad to oblige him by doing it; but when he says that this amendment is proposed for the purpose of discrediting free coinage, either he himself lacks that lucid condition of mind of which he spoke the other day or he is a great deal more malicious than I supposed he was.

Mr. WOLCOTT. Oh, no; I did not say that.

Mr. PLUMB. He said it, and it is in the RECORD, and I do not want him to take it out; but I want to say to him, now and here, and to all

other persons, that if free coinage is to be the beginning and the ending of this bill I am against it.

Mr. WOLCOTT. May I interrupt the Senator a moment?

Mr. PLUMB. You may.

Mr. WOLCOTT. I had in my mind distinctly and solely the suggestions which had been made during the course of this debate by the Senator from Ohio [Mr. SHERMAN].

Mr. PLUMB. Very well. I have got some crows to pick with the Senator from Ohio myself. [Laughter.] I suppose the Senator from Ohio is so accustomed to that sort of thing that he does not care whether it is one more or less.

Mr. SHERMAN. Oh, no.

Mr. PLUMB. At the same time I will say that I am in this fight, not for the free coinage of silver alone, but for an equitable amount of currency for the people of the United States, and if it is to be free coinage and nothing else, then I am not for the bill as it is now amended.

Mr. CULLOM. Why?

Mr. PLUMB. Simply because free coinage as now proposed would result in the contraction of the currency, and that I am against.

Mr. WOLCOTT. How can it?

Mr. PLUMB. The Senator from Colorado says, how can it? I answer because it will not give us enough to make up the volume of the retiring national-bank circulation. If the Senator from Colorado and all other gentlemen who are interested in this particular phase of the thing are willing to ignore this other and larger question of the volume of currency, let them take the result to themselves; but I shall have no part or lot with them at all. If they choose to stand by the statement which the Senator from Colorado has just made, then I say I part company with them now and forever. I will have none of it.

If I cannot move to a bill of this kind a proposition which I regard as essential to the maintenance of the proper volume of the currency without coming under the criticism uttered by the Senator from Colorado, without provocation, entirely malicious, so far as that phase of it was concerned, then I say I shall vote for what I regard as essential and abandon any idea of co-operation whatever.

I move that the Senate do now adjourn.

Several SENATORS. Oh, no.

The VICE PRESIDENT. The question is on the motion of the Senator from Kansas that the Senate do now adjourn.

Mr. SPOONER. This is getting interesting, Mr. President, and I hope the Senate will not adjourn.

The VICE PRESIDENT. The question is on the motion of the Senator from Kansas.

Mr. HOAR. I thought we had an understanding to take the vote to-day.

The VICE PRESIDENT. The motion is not debatable. The question is on the motion of the Senator from Kansas. [Putting the question.] The "noes" have it, and the Senate refuses to adjourn.

Mr. HALE and others. "Question!" "Question!"

The VICE PRESIDENT. The question now is on the *pro forma* amendment offered by the Senator from South Carolina [Mr. BUTLER] to the amendment of the Senator from Kansas [Mr. PLUMB].

Mr. PLUMB. Has there been any vote on the motion to adjourn?

The VICE PRESIDENT. The motion has been voted upon and lost. The question now is on the *pro forma* amendment of the Senator from South Carolina to the amendment of the Senator from Kansas.

Mr. BUTLER. I expect the atmosphere has been somewhat purified by the thunderstorm we have had, and I withdraw the amendment to the amendment.

The VICE PRESIDENT. The amendment of the Senator from South Carolina to the amendment of the Senator from Kansas having been withdrawn, the question recurs on the amendment of the Senator from Kansas.

Mr. ALDRICH. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GORMAN. Let the amendment be reported.

The VICE PRESIDENT. The amendment will be read.

The CHIEF CLERK. It is proposed to strike out section 3, as follows:

SEC. 3. That upon any deposits already or hereafter made of any United States bonds bearing interest, in the manner required by law, any national-banking association making the same shall be entitled to receive from the Comptroller of the Currency circulating notes of different denominations, in blank, registered and countersigned as provided by law, not exceeding in the whole amount the par value of the bonds deposited: *Provided*, That at no time shall the total amount of such notes issued to any such association exceed the amount at such time actually paid in of its capital stock.

And insert as section 2—

SEC. 2. That the Secretary of the Treasury is hereby authorized and directed to replace all sums of national-bank notes hereafter permanently retired and canceled by the issue in lieu thereof of like sums of United States notes of the description and character of the United States notes now outstanding and authorized by act of March 3, 1863, entitled "An act to provide ways and means for the support of the Government," and acts amendatory thereof; and the said notes outstanding, and all thereof hereby and hereafter authorized and issued, shall be receivable for customs and a legal tender for all public and private dues.

The Secretary proceeded to call the roll, and Mr. ALDRICH responded to his name.

Mr. QUAY. Mr. President, I desire—

Mr. ALDRICH and others. Too late.

Mr. QUAY. I merely desire to call for a division of the question before the yeas and nays are taken. ["Too late!" "Too late!"]
The VICE PRESIDENT. The roll-call having commenced, debate is not in order. The roll-call will proceed.

The Secretary resumed the calling of the roll.

Mr. FAULKNER (when Mr. CARLISLE's name was called). I desire to state that the Senator from Kentucky [Mr. CARLISLE] is detained from the Senate by illness. He is paired with the Senator from North Dakota [Mr. PIERCE].

Mr. WALTHALL (when Mr. GEORGE's name was called). I announce again the pair of my colleague [Mr. GEORGE] with the Senator from New Hampshire [Mr. BLAIR].

Mr. HARRIS (when his name was called). I am paired with the Senator from Vermont [Mr. MORRILL].

The roll-call having been concluded, the result was announced—yeas 26, nays 40; as follows:

YEAS—26.			
Bate,	Daniel,	Morgan,	Turpie,
Berry,	Eustis,	Pasco,	Vance,
Blackburn,	Faulkner,	Plumb,	Vest,
Butler,	Hampton,	Pugh,	Voorhees,
Call,	Jones of Arkansas,	Reagan,	Walthall.
Cockrell,	Jones of Nevada,	Stanford,	
Coke,	Kenna,	Stewart,	
NAYS—40.			
Aldrich,	Edmunds,	McConnell,	Sawyer,
Allen,	Everts,	McMillan,	Sherman,
Allison,	Frye,	McPherson,	Shoup,
Cameron,	Gibson,	Manderson,	Spooner,
Carey,	Gray,	Mitchell,	Stockbridge,
Casey,	Hale,	Paddock,	Teller,
Cullom,	Hawley,	Platt,	Warren,
Davis,	Higgins,	Power,	Washburn,
Dixon,	Hiscock,	Quay,	Wilson of Iowa,
Dolph,	Hoar,	Sanders,	Wolcott.
ABSENT—22.			
Barbour,	Colquitt,	Hearst,	Pierce,
Blair,	Dawes,	Ingalls,	Ransom,
Blodgett,	Farwell,	Moody,	Squire,
Brown,	George,	Morrill,	Wilson of Md.
Carlisle,	Gorman,	Payne,	
Chandler,	Harris,	Pettigrew,	

So the amendment was rejected.

Mr. STEWART. I now move to strike out section 5, as it is superfluous.

Mr. VEST. Let the section be read.

The VICE PRESIDENT. The section proposed to be stricken out will be read.

The Chief Clerk read as follows:

SEC. 5. Whenever the market price of silver bullion shall have been continuously for a period of one year \$1 or more for 371.25 grains of pure silver, all purchasing of silver bullion by the Secretary of the Treasury shall cease, and thereupon and thereafter any owner of silver bullion not too base for the operations of the mint may deposit the same in amounts of the value of not less than \$100 at any mint of the United States to be formed into standard dollars or bars for his benefit and without charge; and at the said owner's option he may receive instead the equivalent thereof in the Treasury notes of the said act approved July 14, 1890.

The VICE PRESIDENT. The question is on agreeing to the amendment to strike out the section which has been read.

The amendment was agreed to.

Mr. ALDRICH. I suppose the Senator from Nevada intends to retain the third section.

Mr. EDMUNDS. That has been disposed of already.

Mr. PADDOCK. I think the Senator from Nevada does not mean to strike out the third section.

The VICE PRESIDENT. The fifth section has just been stricken out.

Mr. STEWART. After the amendments which have been made I do not see any necessity for the first section.

Mr. HALE. That has been stricken out.

Mr. HARRIS. The first and second sections have been stricken out.

Mr. ALDRICH. But the third section has not been stricken out. I do not know whether the Senator intends to make that a part of his scheme or not.

Mr. STEWART. I want to strike out the first, second, and third sections, if that is in order at this time.

Mr. COCKRELL. Have not the first and second sections been stricken out?

The VICE PRESIDENT. The first and second sections have been stricken out.

Mr. PADDOCK. The first and second sections have been stricken out, but I did not understand that the third section had been stricken out.

The VICE PRESIDENT. The question is on the amendment of the Senator from Nevada to strike out the third section, which will be read.

The Secretary read section 3, as follows:

SEC. 3. That upon any deposits already or hereafter made of any United States bonds bearing interest, in the manner required by law, any national-banking association making the same shall be entitled to receive from the Comptroller of the Currency circulating notes of different denominations, in blank, registered and countersigned as provided by law, not exceeding in the whole amount

the par value of the bonds deposited: *Provided*, That at no time shall the total amount of such notes issued to any such association exceed the amount at such time actually paid in of its capital stock.

Mr. ALDRICH. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. HALE. What is the form of the motion?

The VICE PRESIDENT. To strike out section 3.

The Secretary proceeded to call the roll, and Mr. ALDRICH and Mr. ALLEN answered to their names.

Mr. SHERMAN. There is a misapprehension in the Senate as to the question. I understand the pending motion is to strike out section 3, which provides for the issue of circulating notes on the bonds deposited by national banks. The motion to strike out, as a matter of course, would take that out of the bill.

Mr. BUTLER. I submit, Mr. President, that debate is out of order.

The VICE PRESIDENT. Debate is not in order.

Mr. BUTLER. Several Senators have answered to their names on the call of the roll, and I object to debate.

The VICE PRESIDENT. The roll-call will proceed.

The Secretary resumed the call of the roll.

Mr. HARRIS (when his name was called). I am paired with the Senator from Vermont [Mr. MORRILL].

The roll-call was concluded.

Mr. BATE. I wish to announce again the pair between the Senator from New Jersey [Mr. BLODGETT] and the Senator from Washington [Mr. SQUIRE].

The result was announced—yeas 31, nays 35; as follows:

YEAS—31.			
Barbour,	Daniel,	Kenna,	Stewart,
Bate,	Eustis,	Mitchell,	Teller,
Berry,	Faulkner,	Morgan,	Turpie,
Blackburn,	Gibson,	Pasco,	Vance,
Butler,	Gorman,	Plumb,	Vest,
Call,	Hampton,	Pugh,	Voorhees,
Cockrell,	Jones of Arkansas,	Reagan,	Walthall.
Coke,	Jones of Nevada,	Stanford,	
NAYS—35.			
Aldrich,	Dolph,	McConnell,	Sherman,
Allen,	Edmunds,	McMillan,	Shoup,
Allison,	Everts,	Manderson,	Spooner,
Cameron,	Frye,	Paddock,	Stockbridge,
Carey,	Hale,	Platt,	Warren,
Casey,	Hawley,	Power,	Washburn,
Cullom,	Higgins,	Quay,	Wilson of Iowa,
Davis,	Hiscock,	Sanders,	Wolcott.
Dixon,	Hoar,	Sawyer,	
ABSENT—22.			
Blair,	Dawes,	Ingalls,	Pierce,
Blodgett,	Farwell,	McPherson,	Ransom,
Brown,	George,	Moody,	Squire,
Carlisle,	Gray,	Morrill,	Wilson of Md.
Chandler,	Harris,	Payne,	
Colquitt,	Hearst,	Pettigrew,	

So the amendment was rejected.

Mr. STEWART. I now ask for the reading of the first and second sections as they stand amended. I want to see how they stand.

The VICE PRESIDENT. The sections will be read as they now stand.

The Chief Clerk read as follows:

SEC. 1. That the compulsory requirement of deposits of the United States bonds with the Treasurer of the United States by national banks is hereby limited in amount to \$1,000 of bonds for each and every national bank: *Provided*, That this act shall not apply to the deposits of bonds which may be required by the Secretary of the Treasury to secure deposits of public money in the national banks.

SEC. 2. That upon any deposits already or hereafter made of any United States bonds bearing interest in the manner required by law—

Mr. STEWART. That is sufficient. Now I move to strike out the tenth section of the bill.

The VICE PRESIDENT. The amendment will be reported.

The CHIEF CLERK. It is proposed to strike out section 10, as follows:

SEC. 10. That it is the continued policy of the United States Government to use both gold and silver as full legal-tender money under the ratio now existing in the United States, or that may be hereafter established by the United States acting in accord with other nations; and the United States is willing to join with other commercial nations in a conference to adopt a common ratio between gold and silver with a view of establishing, internationally, the use of both metals as full legal-tender money, and securing fixity of relative value between them. And when, in the judgment of the President, a sufficient number of such nations shall have entered into such international arrangement he may declare the ratio so fixed to be the existing ratio in the United States, and all coinage thereafter shall be at such ratio until changed by law. The President shall, by and with the advice and consent of the Senate, appoint commissioners, not exceeding three, who shall attend any such conference on behalf of the United States, and they shall report their doings to the President, who shall transmit the same to Congress. Said commissioners shall receive the sum of \$5,000 each and their reasonable expenses, to be approved by the Secretary of State; and the amount necessary to pay such compensation and expenses is hereby appropriated out of any money in the Treasury not otherwise appropriated.

Mr. STEWART. I will withdraw that amendment at the suggestion of some Senators around me, unless there is somebody who desires to renew it. I think probably it will do no harm. I do not think it will do any good.

The VICE PRESIDENT. The committee amendments proposed in section 10 will be first disposed of. They will be stated.

The CHIEF CLERK. In section 10, line 2, the committee report to strike out the word; "Government;" so as to read:

That it is the continued policy of the United States, etc.

The amendment was agreed to.

Mr. COCKRELL. I should like to ask what action has been had on section 6 as reported.

The VICE PRESIDENT. No action has been taken.

Mr. COCKRELL. What action has been had on section 7?

The VICE PRESIDENT. None whatever. A verbal committee amendment should be inserted in section 7, line 4, which will be stated.

The CHIEF CLERK. Section 7, line 4, after the word "to," the committee report to insert the word, "the," so as to read:

To an amount equal to the market value of the bullion, etc.

The amendment was agreed to.

Mr. COCKRELL. What has been done in section 8?

The VICE PRESIDENT. Nothing.

Mr. COCKRELL. In section 9?

The VICE PRESIDENT. Nothing.

Mr. COCKRELL. In section 10?

The VICE PRESIDENT. The committee amendment was agreed to. Mr. PLATT. Has the committee amendment in line 20, section 10, been agreed to?

The VICE PRESIDENT. In line 20, page 8, section 10, there is another committee amendment which will be stated.

The CHIEF CLERK. In section 10, page 8, line 20, after the word "dollars," insert the word "each;" so as to read:

Said commissioners shall receive the sum of \$5,000 each and their reasonable expenses.

The amendment was agreed to.

Mr. DANIEL. I move to strike out all the words of the tenth section after the word "them," down to line 24 of the section. It seems to me that without the clause which I thus move to strike out there is quite sufficient in the section to indicate the policy of the Government. The policy of the Government is indeed sufficiently indicated by the character of the bill, and the willingness of the Government for an international convention for the determination of the ratio is also indicated. Of course the language is in a tentative phrase and merely discloses a disposition rather than commits the Government to any detail.

Beyond that, for Congress to declare that when in the judgment of the President a sufficient number of such nations shall have entered into such international agreement he may declare the ratio so fixed to be the existing ratio of the United States, and all coinage hereafter shall be under such ratio until changed by law, it seems to me that language is obnoxious to the criticism that it puts in the hands of the President the power to regulate the value of money, or to do an act that is very near to the regulation of the value of money, and that is a matter which solely rests with the Congress of the United States to determine. If there is such international agreement it seems to me that the representatives of the people are the persons who should pass upon that agreement before enacting its provisions into a law.

The VICE PRESIDENT. The amendment of the Senator from Virginia will be reported.

The CHIEF CLERK. In section 10, page 8, line 10, after the word "them," strike out all down to and including the word "appropriated," in line 24, the words to be stricken out being as follows:

And when, in the judgment of the President, a sufficient number of such nations shall have entered into such international arrangement he may declare the ratio so fixed to be the existing ratio in the United States, and all coinage thereafter shall be at such ratio until changed by law. The President shall, by and with the advice and consent of the Senate, appoint commissioners, not exceeding three, who shall attend any such conference on behalf of the United States, and they shall report their doings to the President, who shall transmit the same to Congress. Said commissioners shall receive the sum of \$5,000 each and their reasonable expenses, to be approved by the Secretary of State; and the amount necessary to pay such compensation and expenses is hereby appropriated out of any money in the Treasury not otherwise appropriated.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Virginia.

Mr. COCKRELL. I suppose an amendment to that amendment would be in order.

The VICE PRESIDENT. It would.

Mr. COCKRELL. I move to amend the amendment proposed by the Senator from Virginia by striking out from the word "them," in line 10, down to the word "law," in line 15; striking out the following words:

And when, in the judgment of the President, a sufficient number of such nations shall have entered into such international arrangement he may declare the ratio so fixed to be the existing ratio in the United States, and all coinage thereafter shall be at such ratio until changed by law.

Mr. DANIEL. If there is no objection, I accept that modification.

Mr. EDMUNDS. Let it be read.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. In section 10, page 8, line 10, after the word "them," strike out all down to and including the word "law," in line 15, as follows—

Mr. EDMUNDS. How would the section read with those words stricken out?

The CHIEF CLERK. So as to make the section read:

SEC. 10. That it is the continued policy of the United States to use both gold and silver as full legal-tender money under the ratio now existing in the United States, or that may be hereafter established by the United States, acting in accord with other nations; and the United States is willing to join with other commercial nations in a conference to adopt a common ratio between gold and silver, with a view of establishing, internationally, the use of both metals as full legal-tender money, and securing fixity of relative value between them.

The President shall, by and with the advice and consent of the Senate, appoint commissioners, not exceeding three, who shall attend any such conference on behalf of the United States, and they shall report their doings to the President, who shall transmit the same to Congress. Said commissioners shall receive the sum of \$5,000 each and their reasonable expenses, to be approved by the Secretary of State; and the amount necessary to pay such compensation and expenses is hereby appropriated out of any money in the Treasury not otherwise appropriated.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Missouri [Mr. COCKRELL], which has been accepted by the Senator from Virginia [Mr. DANIEL].

The amendment was agreed to.

Mr. STEWART. In line 4, section 7, page 6, I move to strike out the word "market" and insert the word "coin."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. Page 6, line 4, section 7, strike out the word "market" and insert the word "coin," before "value;" so as to read:

The Secretary of the Treasury is hereby authorized and directed to issue Treasury notes of the act approved July 14, 1890, to an amount equal to the coin value of the bullion made from the trade dollars now in the Treasury, etc.

Mr. ALLISON. Before that question is put, I think the section is wholly unnecessary, as the law now directs the Secretary of the Treasury to coin these dollars. Section 7 was put in with a view of substituting the bullion value of Treasury notes in lieu of the coin. There is already on the statute a provision that the Secretary of the Treasury shall coin this bullion.

Mr. STEWART. Then there is no necessity for the section at all. I move to strike out the section.

Mr. COCKRELL. I am not certain that the amendment adopted embraces these debts in the Treasury. I think the Senator from Iowa is mistaken. I do not think, under the amendment that has been agreed to, the Secretary of the Treasury will be compellable to have the trade-dollar bullion there coined.

Mr. ALLISON. There is a law upon the statute books, passed in 1887 (I have it not at hand), which requires the Secretary of the Treasury to immediately coin either into standard silver dollars or fractional silver all the bullion derived from these trade dollars, and section 7 was inserted that, in lieu of coining these dollars, bullion notes or Treasury notes might be issued instead.

Mr. COCKRELL. Now, will the Senator permit me? I think he is just mistaken in this: that the law to which he refers directed the coining of the trade dollar after the date of it, or after a certain time in some way, and this amount of trade dollars is in there, and the Secretary of the Treasury claims that there is no authority requiring him to coin them. I understand distinctly that the present Secretary of the Treasury says there is no requirement of law to compel him to coin that bullion.

Mr. STEWART. If there has been authority of law for the coining of the trade dollar since 1877, authorizing him to coin it, and he has not coined it and put it into circulation, I will withdraw my motion to strike out and move to insert the word "coin" in place of "market," and let the section stand.

Mr. BUTLER. It can do no harm.

Mr. ALLISON. I will say, if the Senator will allow me, that I think the injunction is clear and plain in the law. I do not care anything about it.

The VICE PRESIDENT. What is the proposition of amendment?

Mr. STEWART. I move to strike out "market" and insert "coin" in line 4, section 7.

The VICE PRESIDENT. The amendment of the Senator from Nevada will be reported.

The CHIEF CLERK. In section 7, line 4, it is proposed to strike out the word "market" and insert "coin;" so as to make the section read:

SEC. 7. The Secretary of the Treasury is hereby authorized and directed to issue Treasury notes of the act approved July 14, 1890, to an amount equal to the coin value of the bullion made from the trade dollars now in the Treasury, and of the bullion to be formed from other trade dollars, and also upon the bullion value of \$10,000,000 of the abraded and otherwise uncurrent subsidiary silver coin now in the Treasury.

The amendment was agreed to.

Mr. STEWART. I want the phrase "coin value" inserted in the next section.

Mr. COCKRELL. At the end of line 6, strike out "bullion" and insert "coin."

Mr. SANDERS. I should like to call the attention of the Senator

from Missouri to the present law upon the subject approved on the 19th of February, 1887, and found on page 635 of the Statutes:

Sec. 2. That the trade dollars received by, paid to, or deposited with the Treasurer or any assistant treasurer or national depository of the United States shall not be paid out or in any other manner issued, but, at the expense of the United States, shall be transmitted to the coinage mints and recoined into standard dollars or subsidiary coin, at the discretion of the Secretary of the Treasury: *Provided*, That the trade dollars recoined under this act shall not be counted as part of the silver bullion required to be purchased and coined into standard dollars as required by the act of February 28, 1878.

Mr. COCKRELL. I am perfectly aware of that law, and yet in the face of it the Secretaries of the Treasury have peremptorily and continuously refused to have that trade-dollar bullion coined, and they are refusing it to-day. I know I mentioned the question myself to the present Secretary, that he had authority to coin it into standard dollars, but it will never be coined into standard dollars until there is additional legislation.

Mr. SANDERS. I should like to inquire how many times we shall have to pass a statute requiring the Secretary of the Treasury to do his duty before he does it.

Mr. COCKRELL. We shall have to do it in such a way that there is no way of misconstruing it. The Secretary, according to my recollection, refused, and I thought the Senator from Iowa understood exactly the point the Secretary made as to why he did not do it. It is a very plausible one, and I will not say that the Secretary has not sufficient reason for not coining it. He has not coined it and he thinks he is justifiable in his course.

Mr. ALLISON. I will say to the Senate that the Secretary thinks that he has an option or a discretion to either coin it into subsidiary silver or into standard dollars, and that he exercises that discretion by from time to time coining subsidiary silver when he needs it. That is his interpretation of the law.

Mr. STEWART. I move to strike out "bullion," the last word in the sixth line on page 6, and insert the word "coin."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. In section 7, line 6, strike out "bullion" and insert "coin;" so as to read:

And of the bullion to be formed from other trade dollars, and also upon the coin value of \$10,000,000 of the abraded and otherwise uncurrent subsidiary silver coin now in the Treasury.

The VICE PRESIDENT. The amendment will be agreed to, if there be no objection.

Mr. EDMUNDS. I think the Chair ought to put the question.

The VICE PRESIDENT. The question is on the amendment of the Senator from Nevada.

Mr. EDMUNDS. This change of the word "market value" to "coin value" is a change that has a good deal of meaning to people who are trading in silver, and, therefore, I wish to vote against it. That is all I have to say.

The VICE PRESIDENT. The question is on the amendment of the Senator from Nevada.

The amendment was agreed to.

Mr. VANCE. On page 3, at the end of line 10, section 3, I move to add the words which I will have read at the desk.

The Chief Clerk read as follows:

And all laws imposing taxes on any banks other than national banks are hereby repealed.

Mr. VANCE. Upon that amendment I ask for the yeas and nays and I do not wish to discuss it at this hour of the night.

The yeas and nays were ordered.

Mr. DANIEL. Mr. President, I ask that the amendment be stated again.

Mr. HARRIS. Let the amendment be reported again.

The VICE PRESIDENT. The amendment will be again read.

The Chief Clerk read the amendment offered by Mr. VANCE.

Mr. COCKRELL. I am opposed to that *in toto*, and I hope the Senate will vote it down, and with that view I move to lay the amendment on the table.

Mr. SHERMAN. I make the point of order—

Mr. COCKRELL. If any Senator wants to speak I will withdraw my motion, as a matter of course.

The VICE PRESIDENT. The Senator from Ohio will state his point of order.

Mr. SHERMAN. If the Senate of the United States will take the risk of putting a tax measure upon this bill I am perfectly willing.

Mr. HALE. The Senator from Missouri has moved to lay the amendment on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Missouri that the amendment lie on the table.

Mr. GORMAN. I will raise the point of order that this amendment is not germane and is not in order. A measure of this sort can not originate in this body.

Mr. SHERMAN. It is not constitutional.

The VICE PRESIDENT. The Chair thinks the point well taken.

Mr. ALDRICH. I should like to know what rule of the Senate this transgresses?

Mr. MORGAN. The Constitution; not any rule of the Senate.

Mr. ALDRICH. How is the Constitution to be enforced here?

Mr. MORGAN. I do not know. The Senator from Rhode Island I am sure does not know anything about that.

Mr. ALDRICH. That is the reason why I made the suggestion.

Mr. MORGAN. The Senator from Rhode Island has not the slightest concern in the world whether the Constitution is in force or not, I am satisfied of that.

Mr. HOAR. I desire leave to submit to the Chair that the question whether a proposed rule of action be constitutional can not be decided by the Chair as a question of order. It is a question to be determined by the Senate in voting upon a measure.

Mr. EDMUNDS. That is true. The Chair can not rule on any such questions.

The VICE PRESIDENT. It was the opinion of the Chair that he stated.

Mr. ALDRICH. I ask for the yeas and nays.

Mr. SHERMAN. What is the question?

The VICE PRESIDENT. The question is on the motion made by the Senator from Missouri, that the amendment proposed by the Senator from North Carolina lie on the table.

Mr. DANIEL. I should like to inquire what is the constitutional objection?

Mr. EDMUNDS. The motion is not debatable.

The VICE PRESIDENT. On this question the yeas and nays have been demanded.

Mr. HAWLEY. I rise to a point of order.

Mr. BUTLER. What I should like to ascertain is—

The VICE PRESIDENT. The motion is not debatable.

Mr. BUTLER. What is the decision of the Chair upon the point of order made by the Senator from Maryland?

The VICE PRESIDENT. The Chair is not authorized to pass upon a constitutional question.

Mr. BUTLER. But, Mr. President—

Mr. EDMUNDS. The question is not debatable.

The VICE PRESIDENT. The motion made by the Senator from Missouri is not debatable. The question is on the motion [putting the question]. The yeas appear to have it; the yeas have it, and the amendment is laid on the table.

Mr. BUTLER. Well, I should be very glad—

Mr. GORMAN. I notice in the tenth section of the bill, line 22, an indefinite amount has been appropriated to pay the salary and expenses of the commission provided for in that section. I move to strike out all after the word "State," in line 22, and insert what I send to the desk, so as to have a definite amount appropriated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. In section 10, page 8, line 22, after the word "State," strike out all down to and including the word "appropriated," as follows:

And the amount necessary to pay such compensation and expenses is hereby appropriated out of any money in the Treasury not otherwise appropriated;

And insert in lieu thereof the following:

And the sum of \$50,000, or so much thereof as may be necessary, is hereby appropriated out of any money now in the Treasury not otherwise appropriated.

Mr. ALLISON. That is all right; there is no objection to that.

The VICE PRESIDENT. The question is on the amendment of the Senator from Maryland.

Mr. BUTLER. I suppose I am entitled to make a remark about that amendment. All I desired to say, and what I should have said a moment ago if I had been allowed, is that I should be very glad to have the opportunity to vote for the amendment of the Senator from North Carolina, the effect of which would be to repeal the 10 per cent. tax on issues of State banks. It is not exactly germane to this amendment, but still I suppose I may make that remark in connection with it.

The VICE PRESIDENT. The question is on the amendment of the Senator from Maryland [Mr. GORMAN].

Mr. HARRIS. I suggest a verbal correction. I think the appropriating clause of that amendment is "out of any money now in the Treasury." I suggest that "now" be omitted.

Mr. ALLISON. "Any money not otherwise appropriated," covers it, without saying "now."

Mr. HARRIS. The words are "now in the Treasury;" they confine it to the funds that are there to-day.

The VICE PRESIDENT. If there be no objection, the modification will be considered as agreed to. The question is on the amendment of the Senator from Maryland.

The amendment was agreed to.

The VICE PRESIDENT. If there be no further amendments the bill will be reported to the Senate as amended.

The bill was reported to the Senate as amended.

Mr. VEST. Now let it be read.

Mr. COCKRELL. Let it be read in full in the Senate, as proposed to be amended.

The VICE PRESIDENT. The bill will be read at length, as amended as in Committee of the Whole.

The Chief Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the compulsory requirement of deposits of United States bonds with the Treasurer of the United States by national banks is hereby limited in amount to \$1,000 of bonds for each and every national bank: *Provided,* That this act shall not apply to the deposits of bonds which may be required by the Secretary of the Treasury to secure deposits of public moneys in the national banks.

SEC. 2. That upon any deposits already or hereafter made of any United States bonds bearing interest, in the manner required by law, any national-banking association making the same shall be entitled to receive from the Comptroller of the Currency circulating notes of different denominations, in blank, registered and countersigned as provided by law, not exceeding in the whole amount the par value of the bonds deposited: *Provided,* That at no time shall the total amount of such notes issued to such association exceed the amount at such time actually paid in of its capital stock.

SEC. 3. That any owner of silver bullion not too base for the operations of the mint may deposit the same in amounts of the value of not less than \$100 at any mint of the United States, to be coined into standard dollars or formed into bars for his benefit and without charge; and that at the said owner's option he may receive therefor an equivalent of such standard dollars in Treasury notes to be issued by the Secretary of the Treasury in the same form and description and having the same legal qualities as the notes provided for by the act approved July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes:" *Provided,* All such Treasury notes and coin issued under the provisions of this act shall be a legal tender for their nominal amount in payment of all debts, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received may be reissued in the same manner and to the same extent as other Treasury notes; and a sum necessary to carry the provisions of this section into effect is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 4. That the Secretary of the Treasury be, and he is hereby, authorized to cause the subsidiary silver coins of the United States now in or which may hereafter be received into the Treasury and subtreasuries of the United States, which are abraded, worn, mutilated, defaced, or otherwise unfit for circulation, or are of denominations for which there is no current demand, to be recoined at the mints of the United States into such denominations of silver coins now authorized by law as may be required to meet the demand therefor. That the loss incident to the recoinage of such uncurrent silver coins into new coins shall be paid from the gain arising from the coinage of silver bullion into coin of a nominal value exceeding the cost thereof, denominated "the silver profit fund."

SEC. 5. The Secretary of the Treasury is hereby authorized and directed to issue Treasury notes of the act approved July 14, 1890, to an amount equal to the coin value of the bullion made from the trade dollars now in the Treasury, and of the bullion to be formed from other trade dollars, and also upon the coin value of \$10,000,000 of the abraded and otherwise uncurrent subsidiary silver coin now in the Treasury.

SEC. 6. That paragraph 80f of chapter 327 of the Supplement to the Revised Statutes of the United States, which requires that refining and parting of bullion shall be carried on at the mints of the United States and at the assay office at New York, be amended by inserting after the word "law," in the fourth line, the following words: "and from the proceeds of the sale of by-products resulting from the operations of the refinery;" so that the paragraph shall read:

"And it shall be lawful to apply the moneys arising from charges collected from depositors for these operations pursuant to law, and from the proceeds of the sale of by-products resulting from the operations of the refinery, so far as may be necessary, to the defraying in full of the expenses thereof, including labor, materials, and wastage."

SEC. 7. That an act to authorize the receipt of United States gold coin in exchange for gold bars, approved May 26, 1882, be amended to read as follows:

"That the superintendents of the coinage mints and of the United States assay office at New York may, with the approval of the Director of the Mint, but not otherwise, receive United States gold coin from any holder thereof, in sums of not less than \$5,000, and pay and deliver in exchange therefor gold bars in value equaling such coin so received: *Provided,* That the Director of the Mint, with the approval of the Secretary of the Treasury, may impose for such exchange a charge which in his judgment shall equal the cost of manufacturing the bars."

SEC. 8. That it is the continued policy of the United States to use both gold and silver as full legal-tender money under the ratio now existing in the United States, or that may be hereafter established by the United States acting in accord with other nations; and the United States is willing to join with other commercial nations in a conference to adopt a common ratio between gold and silver, with a view of establishing, internationally, the use of both metals as full legal-tender money, and securing fixity of relative value between them.

The President shall, by and with the advice and consent of the Senate, appoint commissioners, not exceeding three, who shall attend any such conference on behalf of the United States, and they shall report their doings to the President, who shall transmit the same to Congress. Said commissioners shall receive the sum of \$5,000 each and their reasonable expenses, to be approved by the Secretary of State; and the sum of \$50,000, or so much thereof as may be necessary, is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 9. That all acts and parts of acts inconsistent with the provisions of this act be, and the same are hereby, repealed.

The VICE PRESIDENT. The question is on concurring in the amendments made in Committee of the Whole.

Mr. COCKRELL. Section 2 reads:

That upon any deposits already or hereafter made of any United States bonds bearing interest, in the manner required by law.

I am fearful that will be construed as a legal intimation to national banks that it is the intention of Congress to perpetuate their power to issue the paper circulation of this country, and I am unalterably opposed to vesting that power in any monopoly. I must, therefore, reserve that amendment for a separate vote.

Mr. SHERMAN. It is all one amendment.

Mr. EDMUNDS (to Mr. COCKRELL). Move to strike it out.

The VICE PRESIDENT. It is part of the bill now.

Mr. COCKRELL. I then move to strike it out, and upon that I ask for the yeas and nays.

Mr. EDMUNDS. Let the amendment as proposed be read.

The VICE PRESIDENT. The question will be first taken on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The VICE PRESIDENT. The question is on the motion made by the Senator from Missouri to strike out section 2, which will be reported.

The Chief Clerk read as follows:

SEC. 2. That upon any deposits already or hereafter made of any United States bonds bearing interest, in the manner required by law, any national-banking association making the same shall be entitled to receive from the Comptroller of the Currency circulating notes of different denominations, in blank, registered and countersigned as provided by law, not exceeding in the whole amount the par value of the bonds deposited: *Provided,* That at no time shall the total amount of such notes issued to any such association exceed the amount at such time actually paid in of its capital stock.

The VICE PRESIDENT. On this amendment the yeas and nays were demanded.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. HARRIS (when his name was called). "I am paired with the Senator from Vermont [Mr. MORRILL]."

The roll-call was concluded.

Mr. BATE. I wish to announce the pair of the Senator from New Jersey [Mr. BLODGETT] with the Senator from Washington [Mr. SQUIRE].

Mr. CASEY. I again announce the pair of my colleague [Mr. PIERCE] with the Senator from Kentucky [Mr. CARLISLE].

Mr. DOLPH. I wish to state again that the senior Senator from Georgia [Mr. BROWN], by a transfer of my pair, is paired with the junior Senator from New Hampshire [Mr. CHANDLER]. I have not announced it on all the votes, but the pair has continued and will continue during the consideration of this bill.

The result was announced—yeas 29, nays 36; as follows:

YEAS—29.

Barbour,	Daniel,	Kenna,	Teller,
Bate,	Eustis,	Mitchell,	Turpie,
Berry,	Faulkner,	Morgan,	Vance,
Blackburn,	Gibson,	Pasco,	Vest,
Butler,	Gorman,	Plumb,	Voorhees.
Call,	Hampton,	Pugh,	
Cockrell,	Jones of Arkansas,	Reagan,	
Coke,	Jones of Nevada,	Stanford,	

NAYS—36.

Aldrich,	Dolph,	McConnell,	Sherman,
Allen,	Edmunds,	McMillan,	Shoup,
Allison,	Evaris,	Manderson,	Spooner,
Cameron,	Frye,	Paddock,	Stewart,
Carey,	Hale,	Platt,	Stockbridge,
Casey,	Hawley,	Power,	Warren,
Cullom,	Higgins,	Quay,	Washburn,
Davis,	Hiscock,	Sanders,	Wilson of Iowa,
Dixon,	Hoar,	Sawyer,	Wolcott.

ABSENT—23.

Blair,	Dawes,	Ingalls,	Pierce,
Blodgett,	Farwell,	McPherson,	Ransom,
Brown,	George,	Moody,	Squire,
Carlisle,	Gray,	Morrill,	Walthall,
Chandler,	Harris,	Payne,	Wilson of Md.
Colquitt,	Hearst,	Pettigrew,	

So the amendment was rejected.

The VICE PRESIDENT. The question is, Shall the bill be engrossed for a third reading and read the third time?

Mr. PLUMB. Mr. President, I want to say merely that this bill will prove a snare. It is a result of a combination between those who favor national-bank circulation and those who have interests of their own of a more or less personal character in favor of the free coinage of silver.

I am in favor of the free coinage of silver, but I favor also such an adjustment in regard to financial relations as will give the country a larger volume of currency. In the present attitude of things the amendments which I might have offered I shall not now propose, because of the combination of which I have spoken. The bill as it stands is against the interests of the people of the United States and a bill which I can not myself support.

Mr. VEST. Mr. President, I simply want to say for myself that I shall vote for this bill with very great reluctance on account of some provisions it contains. It has a provision increasing the circulation of the national-bank notes 10 per cent., to which I am unalterably opposed in principle. It has a provision in it, after we have enacted free coinage, for an international conference to fix the ratio between the metals. I entirely agree with the Senator from Ohio that that is an absurdity.

We take our stand in the bill for free coinage; we determine it for ourselves, and then we ask other commercial nations to come in and look at what we have done. There is no dignity in it, there is no propriety in it, and I am sorry to say that I regard the bill as a piece of patchwork which, if not absolutely inconsistent in its provisions, is crudely drawn and will subject us to criticism all over the country. If I vote for it at all it is simply because I want to emphasize in every possible way my devotion to free coinage, and I take it therefore with this explanation.

Mr. DANIEL. I beg leave to say, Mr. President, that I thoroughly sympathize in the remarks which have just been made by the Senator from Missouri. I am for the free coinage of silver, because I believe it

will widen the hard-money basis of our paper currency and furnish in itself a liberal portion of the necessary circulating medium for this country. I very much regret that there has been associated with the measure a provision by which the currency of the country is given without consideration to the bloated banks, who by the very reason of the excessive premium upon their bonds, as stated by the Secretary of the Treasury, have failed to perform their functions to the people.

While I therefore much regret to vote for any measure which contains such a provision, I am obliged by the association of the evil with the good to vote for or against the two thus tied together, and as free silver has been fought by the moneyed classes of this country for seventeen years against the continued protest of the people and the continued interest of the great mass of our industrial people, and as it does not seem to be possible here to gain even that simple element of justice without throwing a sop to Cerberus, I join with those who are content to throw the sop, that free coinage may, as I hope, pass through safely.

Mr. MORGAN. Mr. President, I have been in this body now about fourteen years, and I commenced my humble career here by the advocacy of the free coinage of silver. It is something about which my mind has never hesitated or halted a moment. I have always believed that it was the duty of the Congress of the United States and of the Government of the United States to have a financial policy of its own, based upon its own resources of credit and its own production of the precious metals.

The propositions that have been brought forward here in that direction have been resisted in every manner and form in the national Legislature and outside of it that it was possible to bring to bear in opposition to it. I have realized during my own experience that this battle is not a short one and not an easy one to win, and I am disposed to make every advance that I can in that direction and never to halt or hesitate or turn back.

More than that, I regard the national banks of the United States as hitherto having performed very important financial functions in the Government. They have made a great deal of money, it is true; that they have been at a good deal of risk is also true; but I think if you will take the combination of the different characters of money that we have in the United States, backed as they all are by the credit of this Government, the financial system in the country is perhaps better than it was ever before the national-bank system was adopted.

But it makes no difference what the objections to that system may be, however earnestly they may be pressed, if we were to get rid of that system, if we were to crush it out and adopt some new system, deliberation and carefulness in every step we take ought to characterize our movements. So I would not be in favor of an abolition of the national banks or the destruction of their currency until by experience we have learned some safer way than appears now to be obvious at least in getting to these results.

So I do not oppose—in fact, I have always voted in favor of increasing the circulation of the national banks to a par or equivalency with the bonds that are pledged for the redemption of their issues. The Government of the United States is, after all, the only backer that the national banks have got, and we have created the debt upon these bonds which we are obliged to pay, and which of course every honorable man intends to pay. There is no reason, unless we wish to depreciate our own bonds in the estimation of the world, why the national banks who own them should not issue dollar for dollar upon the face of them, for those bonds are as good as gold or silver, and they make the national banks perfectly good.

I do not feel that in voting for this bill I am establishing the national banks as a standfast upon the country at all. Still, I know, and every Senator here must know, that the United States Government has got to employ some fiscal agency to stand between the Government and the people and to hand out into the hands of the people the money it issues over and above the amount that is necessary to carry on the expenses of the Government. When a better system is presented than the national-banking system I shall be willing to discard that.

Until a better system is presented by some one who has a scheme that he can mature and present to the consideration of this country I shall be content to follow in the track which has as yet, to say the least of it, not proved disastrous to the credit or the honor of the Government, and I think has not injured the people.

I therefore shall vote for this bill with pleasure.

Mr. COCKRELL. Mr. President, I simply desire to say that I am heartily in favor of that portion of the bill which restores to silver its monetary functions and places it upon an equality with gold. I do not object to the clause which authorizes national banks to issue additional circulation because of the fact that that circulation is not perfectly good, but I object to it because it may lead the banks to believe that their existence as banks of issue will be continued by Congress. I think they should understand distinctly now that Congress will not permit them to continue to control the volume of the circulation of the United States and dominate it.

I desire to say this simply because I believe there are some things in the bill which will justify me in voting for it, and, while all its provisions are not what I should desire, yet there are some things in it

which I very earnestly desire, and they will dominate and control me in my vote.

The VICE PRESIDENT. The question is, Shall the bill be engrossed for a third reading and read the third time?

Mr. VEST. I move to strike out all after the enacting clause of the bill and insert what I send to the desk.

The VICE PRESIDENT. The amendment will be reported.

The CHIEF CLERK. Strike out all after the enacting clause and insert:

That from and after the date of the passage of this act the unit of value in the United States shall be the dollar, and the same may be coined of 412½ grains of standard silver or of 25.8 grains of standard gold, and the said coins shall be a legal tender for all debts, public and private. That hereafter any owner of silver or gold bullion may deposit the same at any mint of the United States, to be formed into standard dollars or bars for his benefit without charge, but it shall be lawful to refuse any deposit of less value than \$100 or any bullion so base as to be unsuitable for the operations of the mint.

SEC. 2. That the provision of section 3 of "An act to authorize the coinage of the standard silver dollar and to restore its legal tender character," which became a law February 28, 1878, is hereby made applicable to the coinage in this act provided for.

SEC. 3. That the certificates provided for in the second section of this act shall be of denominations of not less than \$1 or more than \$100, and such certificate shall be redeemable in coin of standard value. A sufficient sum to carry out the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated. The provision in section 1 of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal tender character," which requires the Secretary of the Treasury to purchase at the market price thereof not less than \$2,000,000 worth of silver bullion per month nor more than \$4,000,000 worth per month of such bullion is hereby repealed.

SEC. 4. That the certificates provided for in this act, and all silver and gold certificates already issued, shall be receivable for all taxes and dues to the United States of every description, and shall be a legal tender for the payment of all debts, public and private.

SEC. 5. The owners of bullion deposited for coinage shall have the option to receive coin or its equivalent in the certificates provided for in this act, and such bullion shall be subsequently coined.

The VICE PRESIDENT. The question is on agreeing to the substitute proposed by the Senator from Missouri [Mr. VEST].

Mr. VEST. It is possible that in the hurry of preparing the substitute I have a provision there in regard to repealing what is known as the Bland act, which is unnecessary. That has already been repealed by a law we enacted at the last session.

I simply want to say, Mr. President, in regard to this substitute that it provides for free coinage pure and simple. It is the act which was passed by the Senate and sent to the House of Representatives at the last session, and it was introduced and championed in the Senate principally by the Senator from Kansas [Mr. PLUMB].

The present bill, as I had occasion to say briefly a few moments ago, which we have been considering to-night, has in it provisions which are not germane to the question of free coinage. It has provisions in it in regard to the national-banking system that should have no place in an enactment in regard to coinage. Unless the Senate has changed its opinion upon this subject, or unless it is proposed to enact a law which, as I had occasion to say before, will subject us to just criticism as legislators by reason of the utterly disconnected enactments which it contains, I can see no reason why this substitute should not receive the same vote which it did before.

Mr. SANDERS. I should like to ask the Senator from Missouri a single question. There is a repealing clause in the act of 1878 providing that so much of that law as required the coinage of not less than \$2,000,000 nor more than \$4,000,000 a month should be repealed. Ought there not to be introduced in this substitute, if it is pressed for passage seriously, a provision repealing the requirements of the act of July 14, 1890, providing for the purchase of 4,500,000 ounces per month?

Mr. VEST. Perhaps the Senator is right about that.

Mr. MITCHELL. I desire to ask the Senator a question, whether the certificates to be issued under this substitute are to be legal tender?

Mr. VEST. Oh, yes, that is provided in the substitute.

Mr. COCKRELL. I suggest as an amendment that, instead of the law of February 28, 1878, there be inserted the law of July 14, 1890. I believe that is what was suggested. I think that will cover it.

Mr. VEST. There is no objection to that.

The VICE PRESIDENT. Will the Senator from Missouri submit his proposed amendment in writing?

Mr. PASCO. I wish to suggest to the Senator from Missouri another amendment, and that is, instead of an indefinite amount of appropriation, to insert the amount of \$50,000, like the amendment which was offered by the Senator from Maryland [Mr. GORMAN] to the other bill, to carry out the provisions relating to the commission.

Mr. VEST. The portion of the substitute is in the exact language of the bill which passed the Senate. I do not think we can state specifically the amount. I know the principle to which the Senator from Florida alludes, and I agree with him that indefinite appropriations as a general rule are not proper. The Senator from Maryland suggests that in cases of this sort the appropriations are generally indefinite.

The VICE PRESIDENT. The question is upon agreeing to the amendment proposed by the Senator from Missouri.

Mr. STEWART. I wish to suggest that I should prefer this simple proposition to the complicated bill, but I want a moment to look at

this matter. With regard to certificates, I think it would be better to continue the issue of Treasury notes and keep the same name and change the language of it. I should like this simple provision better than I would the complicated bill that we have.

Mr. GORMAN. Let us take it as it is.

Mr. STEWART. I want a little while to examine its provisions.

Mr. ALDRICH. I rise to a parliamentary inquiry. I desire to offer the second section of the bill which has just been under consideration, which is the bank section so called, as an amendment to the proposition of the Senator from Missouri. I do not know whether it would be in order now or after the substitute has been adopted.

Mr. EDMUNDS. It is in order now.

The VICE PRESIDENT. The amendment is in order.

Mr. ALDRICH. Will it be in order after the substitute is adopted?

Mr. HALE. It is in order now.

Mr. ALDRICH. Then I offer at the present time the second section as amended to the substitute offered by the Senator from Missouri.

The VICE PRESIDENT. It will be read.

The CHIEF CLERK. Add to the proposed amendment the following as a new section:

SEC. 2. That upon any deposits already or hereafter made of any United States bonds bearing interest, in the manner required by law, any national-banking association making the same shall be entitled to receive from the Comptroller of the Currency circulating notes of different denominations, in blank, registered and countersigned as provided by law, not exceeding in the whole amount the par value of the bonds deposited: *Provided*, That at no time shall the total amount of such notes issued to any such association exceed the amount at such time actually paid in of its capital stock.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Rhode Island to the amendment of the Senator from Missouri.

Mr. GORMAN. I move to lay the amendment on the table.

Mr. ALDRICH. On that I ask for the yeas and nays.

Mr. BLACKBURN. Before the Senator from Maryland—

The VICE PRESIDENT. The motion is not debatable.

Mr. ALDRICH. I will say to the Senator from Maryland that I have no disposition to discuss it.

Mr. GORMAN. I will withdraw the motion.

Mr. BLACKBURN. I rise to a point of order.

The VICE PRESIDENT. The Senator from Kentucky will state his point of order.

Mr. BLACKBURN. The point of order that I submit against the amendment offered by the Senator from Rhode Island is that it is not germane to any portion of the text of the substitute submitted by the Senator from Missouri. It relates to a different subject altogether. There is nothing in the proposed substitute except the coinage of the metal.

Mr. CULLOM. It is a financial measure; all of it.

Mr. BLACKBURN. The amendment offered by the Senator from Rhode Island is nothing more or less than a banking bill.

Mr. ALDRICH. The Senator from Kentucky, if he will pardon me, is thinking of the rules of the other House in which he and I served for so long.

Mr. BLACKBURN. The Senator from Rhode Island knows just as well anyone else—

Mr. ALDRICH. There is nothing in the Senate rules against it.

Mr. BLACKBURN. This is an attempt to ingraft upon one proposed measure a measure of a different character altogether, and relating altogether to a different matter.

Mr. ALDRICH. I hope the Senator will call the attention of the Chair to a rule which my amendment violates.

Mr. SHERMAN. It is the universal practice of the Senate.

The VICE PRESIDENT. The Chair is of the opinion that the amendment to the amendment is in order.

Mr. VEST. Mr. President, we have now arrived at a point when the friends, the true friends, of free coinage, will be known. Those who propose to defeat free coinage by indirect methods will also be known. The proposition of the Senator from Rhode Island comes from an enemy to free coinage, and its object is simply to defeat free coinage. If the Senator from Rhode Island desires the legislation which he has proposed in this amendment he very well knows that the proper way in which to bring it before the Senate would be by a separate enactment.

Whatever may be the rules of the Senate—and I am not disposed to question the correctness of the ruling of the Chair—every Senator here present knows that this amendment is intended to defeat free coinage. That is the simple proposition, and I only arose to emphasize that statement, and to ask the friends of free coinage upon this floor to vote the amendment to the amendment down.

Mr. STEWART. I should like to join in that request, because it is manifest if the bill is loaded with this proposition we are liable to lose the whole measure.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Rhode Island to the amendment of the Senator from Missouri.

Mr. HALE. Let me ask the Senator whether it is not the same amendment exactly that the Senate has already voted upon and adopted twice.

Mr. STEWART. It is.

Mr. HALE. The Senate in the same Congress adopted a free-coinage provision.

Mr. STEWART. Yes, it has been adopted.

Mr. HALE. It has been adopted already.

Mr. TELLER. If the Senator will allow me, I will say that this amendment has been sought to be put on by the enemies of the bill.

Mr. STEWART. That is it.

Mr. TELLER. Two-thirds at least of those who voted for it were against the bill. Some of our friends thought it made the bill acceptable to some people on this side who were not very ardent for the bill, and one or two of our Senators would like to have it on, but it makes it objectionable to many other gentlemen who are really silver men. I think it is the interest of the silver people here who believe in having free coinage that we shall strip the bill of everything but free coinage and vote for it, and stand or fall with that. Why should we put any banking bill on here?

Mr. WOLCOTT. Mr. President, I fully agree with the Senator from Alabama when he says this Government should not discredit its own bonds. I believe while they are issued to national banks and they are made the foundation of the circulation of the currency, we should permit the issuance of the circulation of the national banks on the par of the bonds. I believe in encouraging the credit and stability of our obligations, and I have so voted whenever the question has come up in the Senate to-night as an amendment to the bill.

But I am far more a friend of free coinage than of any other financial measure, and if there are Senators upon the floor on either side who seriously believe that the question of free coinage is to be affected unfavorably by persisting in imposing this amendment at this time to the bill, so far as I am concerned I shall cordially give way and vote against it.

Mr. ALDRICH. Mr. President, fault has been found with the fact that I have suggested to put the pending amendment on a free-coinage measure. If any one has any occasion to find any fault, it strikes me it is the members of the Finance Committee, who have had a free-coinage amendment forced on to the bill which they reported from their committee. What I have offered is part of the original proposition. What there is, is put there by a vote of the Senate. It is a tangible proposition, put there, I suppose, by gentlemen because they believe in it, and I presume that the same gentlemen will vote to retain it there, notwithstanding the threats which have been made by gentlemen on both sides of the Chamber.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Rhode Island [Mr. ALDRICH] to the amendment of the Senator from Missouri [Mr. VEST].

Mr. GORMAN. On that, I ask for the yeas and nays.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. HARRIS (when his name was called). I am paired with the Senator from Vermont [Mr. MORRILL]. I should vote "nay" if he were present.

Mr. ALLEN (when Mr. SQUIRE's name was called). As I announced before, my colleague [Mr. SQUIRE] is paired usually with the Senator from Virginia [Mr. DANIEL], but their views being alike upon this question my colleague is paired with the Senator from New Jersey [Mr. BLODGETT]. If present, I could not say how my colleague would vote upon this particular question.

The result was announced—yeas 33, nays 34; as follows:

YEAS—33.

Aldrich,	Dolph,	Hoar,	Shoup,
Allen,	Edmunds,	McMillan,	Spencer,
Allison,	Evaris,	Manderson,	Stockbridge,
Cameron,	Frye,	Paddock,	Warren,
Carey,	Gray,	Platt,	Washburn,
Casey,	Halo,	Power,	Wilson of Iowa,
Cullom,	Hawley,	Quay,	
Davis,	Higgins,	Sawyer,	
Dixon,	Hiscock,	Sherman,	

NAYS—34.

Barbour,	Eustis,	McConnell,	Teller,
Bate,	Faulkner,	Mitchell,	Turpie,
Berry,	Gibson,	Morgan,	Vance,
Blackburn,	Gorman,	Pasco,	Vest,
Butler,	Hampton,	Pugh,	Voorhees,
Call,	Ingalls,	Reagan,	Walthall,
Cockrell,	Jones of Arkansas,	Sanders,	Wolcott,
Coke,	Jones of Nevada,	Stanford,	
Daniel,	Kenna,	Stewart,	

ABSENT—21.

Blair,	Dawes,	Moody,	Ransom,
Blodgett,	Farwell,	Morrill,	Squire,
Brown,	George,	Payne,	Wilson of Md.
Carlisle,	Harris,	Pettigrew,	
Chandler,	Hearst,	Pierce,	
Colquitt,	McPherson,	Plumb,	

So the amendment to the amendment was rejected.

The VICE PRESIDENT. The question recurs on the amendment offered by the Senator from Missouri [Mr. VEST].

Mr. SHERMAN. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. COCKRELL. Which amendment are we to vote on?

Mr. STEWART. The proposed substitute for the whole bill.

Mr. COCKRELL. The clerks did not so understand it. My amendment to the amendment was accepted.

The VICE PRESIDENT. The amendment to the amendment will be again reported.

The CHIEF CLERK. In the proposed amendment strike out the following:

The provision in section 1 of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," which requires the Secretary of the Treasury to purchase at the market price thereof not less than \$2,000,000 worth of silver bullion per month nor more than \$4,000,000 worth per month of such bullion is hereby repealed;

And insert in lieu thereof:

Strike out so much of the act of July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes," as requires the purchase of 4,500,000 ounces of silver bullion per month.

Mr. HARRIS. I suggest to my friend from Missouri instead of "strike out" to use the language, "repeal so much of the act."

Mr. COCKRELL. That is correct; "repeal," instead of "strike out." Let it read "repeal."

Mr. SHERMAN. To save time in taking two votes I will withdraw the call for the yeas and nays on the amendment of the Senator from Missouri and take the vote on the passage of the bill.

The VICE PRESIDENT. The call for the yeas and nays is withdrawn.

Mr. KENNA. Has the amendment to the amendment been adopted?

Mr. BUTLER. No, it is under discussion now.

Mr. EDMUNDS. What is the pending question?

The VICE PRESIDENT. A slight modification is being made in the amendment offered by the Senator from Missouri [Mr. COCKRELL] to the amendment of his colleague.

Mr. HOAR. While that modification is being made I should like to announce that my colleague [Mr. DAWES] is paired with the Senator from Georgia [Mr. COLQUITT].

Mr. EDMUNDS. What is the pending question?

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. In section 3 of the proposed amendment it is proposed to strike out the following:

The provision in section 1 of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," which requires the Secretary of the Treasury to purchase at the market price thereof not less than \$2,000,000 worth of silver bullion per month nor more than \$4,000,000 worth per month of such bullion is hereby repealed;

And to insert in lieu thereof:

So much of the act of July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes," as requires the purchase of 4,500,000 ounces of silver bullion per month, be and the same is hereby repealed.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Missouri [Mr. COCKRELL] to the amendment proposed by his colleague [Mr. VEST].

Mr. VEST. I accept that amendment.

The VICE PRESIDENT. The Senator from Missouri [Mr. VEST] accepts the amendment. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The question is, Shall the bill be engrossed for a third reading and read the third time?

The bill was ordered to be engrossed for a third reading, and was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass.

Mr. EDMUNDS. On that I ask for the yeas and nays.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. GORMAN. I suggest now, that there may be no difficulty hereafter, that the bill be read as it now stands, and let it go in the RECORD.

The VICE PRESIDENT. The bill will be read.

The Chief Clerk read as follows:

A bill (S. 4675) to provide against the contraction of the currency, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the date of the passage of this act the unit of value in the United States shall be the dollar, and the same may be coined of 412½ grains of standard silver or of 23.8 grains of standard gold, and the said coin shall be a legal tender for all debts, public and private. That hereafter any owner of silver or gold bullion may deposit the same at any mint of the United States, to be formed into standard dollars or bars for his benefit and without charge; but it shall be lawful to refuse any deposit of less value than \$100 or any bullion so base as to be unsuitable for the operations of the mint.

SEC. 2. That the provision of section 3 of "An act to authorize the coinage of the standard silver dollar and to restore its legal-tender character," which became a law February 28, 1878, is hereby made applicable to the coinage in this act provided for.

SEC. 3. That the certificates provided for in the second section of this act shall be of denominations of not less than one or more than one hundred dollars and such certificate shall be redeemable in coin of standard value. A sufficient sum to carry out the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated. So much of the act of July 14, 1890, entitled "An act directing the purchase of silver bullion and the issue

of Treasury notes thereon, and for other purposes," as requires the purchase of 4,500,000 ounces of silver bullion per month, be, and the same is hereby, repealed.

SEC. 4. That the certificates provided for in this act and all silver and gold certificates already issued shall be receivable for all taxes and dues to the United States of every description and shall be a legal tender for the payment of all debts, public and private.

SEC. 5. The owners of bullion deposited for coinage shall have the option to receive coin or its equivalent in the certificates provided for in this act and such bullion shall be subsequently coined.

The VICE PRESIDENT. The roll will be called on the passage of the bill.

The Secretary proceeded to call the roll.

Mr. WALTHALL (when Mr. GEORGE's name was called). My colleague [Mr. GEORGE] is paired with the Senator from New Hampshire [Mr. BLAIR]. If my colleague were present, he would vote "yea."

Mr. GRAY (when his name was called). On this question I am paired with the senior Senator from North Carolina [Mr. RANSOM]. If he were present, I should vote "nay" and I presume he would vote "yea."

Mr. HARRIS (when his name was called). I am paired with the Senator from Vermont [Mr. MORRILL]. If he were present, I should vote "yea" and the Senator from Vermont would vote "nay."

Mr. ALLEN (when Mr. SQUIRE's name was called). My colleague [Mr. SQUIRE] is paired with the Senator from New Jersey [Mr. BLODGETT]. I understand that if the Senator from New Jersey were present he would vote "nay" and my colleague if present and permitted to vote would vote "yea."

The roll-call was concluded.

Mr. HOAR. My colleague [Mr. DAWES] is paired with the junior Senator from Georgia [Mr. COLQUITT]. If my colleague were present, he would vote "nay."

Mr. CALL (after having voted in the affirmative). There was a statement just announced to me in regard to my pair with the Senator from South Dakota [Mr. PETTIGREW], which I was informed by the Senator from West Virginia [Mr. FAULKNER] was transferred to the Senator from North Carolina [Mr. RANSOM]. I will withdraw my vote.

The result was announced—yeas 39, nays 27; as follows:

YEAS—39.

Allen,	Eustis,	Manderson,	Stanford,
Harbour,	Faulkner,	Mitchell,	Stewart,
Bate,	Gibson,	Morgan,	Teller,
Berry,	Gorman,	Paddock,	Turpie,
Blackburn,	Hampton,	Pasco,	Vance,
Butler,	Ingalls,	Power,	Vest,
Cameron,	Jones of Arkansas,	Pugh,	Voorhees,
Cockrell,	Jones of Nevada,	Reagan,	Walthall,
Coke,	Kenna,	Sanders,	Wolcott,
Daniel,	McConnell,	Shoup,	

NAYS—27.

Aldrich,	Dolph,	Hiscock,	Spooner,
Allison,	Edmunds,	Hoar,	Stockbridge,
Carey,	Evarts,	McMillan,	Warren,
Casey,	Frye,	Platt,	Washburn,
Cullom,	Hale,	Quay,	Wilson of Iowa,
Davis,	Hawley,	Sawyer,	Wilson of Md.
Dixon,	Higgins,	Sherman,	

ABSENT—22.

Blair,	Colquitt,	Hearst,	Pierce,
Blodgett,	Dawes,	McPherson,	Plumb,
Brown,	Farwell,	Moody,	Ransom,
Call,	George,	Morrill,	Squire,
Carlisle,	Gray,	Payne,	
Chandler,	Harris,	Pettigrew,	

So the bill was passed.

On motion of Mr. COCKRELL, the title was amended so as to read: "A bill to provide a unit of value, and for the coinage of gold and silver, and for other purposes."

UNITED STATES ELECTIONS.

Mr. HOAR. I move that the Senate proceed to the consideration of the bill (H. R. 11045) to amend and supplement the election laws of the United States, and to provide for the more efficient enforcement of such laws, and for other purposes.

Mr. HARRIS. I ask for the yeas and nays on that motion.

Mr. BUTLER. Pending that, I move that the Senate adjourn.

The VICE PRESIDENT. The Senator from South Carolina moves that the Senate do now adjourn.

Mr. HOAR. I ask for the yeas and nays on that motion.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. DOLPH (when his name was called). I vote "nay," my pair with the senior Senator from Georgia [Mr. BROWN] having been transferred to the junior Senator from New Hampshire [Mr. CHANDLER].

Mr. HALE (when his name was called). The arrangement which existed in the early part of the evening has been renewed, so that the pair which I have with the Senator from North Carolina [Mr. RANSOM] is transferred to the Senator from South Dakota [Mr. PETTIGREW], leaving the Senator from Florida [Mr. CALL] and myself at liberty to vote. I vote "nay."

Mr. HARRIS (when his name was called). I am paired with the Senator from Vermont [Mr. MORRILL].

Mr. HIGGINS (when his name was called). I am paired with the senior Senator from New Jersey [Mr. McPHERSON]. If he were present, I should vote "nay."

Mr. VANCE (when his name was called). I wish to announce that my colleague [Mr. RANSOM] is paired with the Senator from South Dakota [Mr. PETTIGREW]. I vote "yea."

The roll-call was concluded.

Mr. BATE. I wish to announce the pair of the Senator from New Jersey [Mr. BLODGETT] with the Senator from Washington [Mr. SQUIRE].

The result was announced—yeas 33, nays 33; as follows:

YEAS—33.

Barbour,	Daniel,	Jones of Nevada,	Teller,
Bate,	Eustis,	Kenna,	Turpie,
Berry,	Faulkner,	Morgan,	Vance,
Blackburn,	Gibson,	Pasco,	Vest,
Butler,	Gorman,	Pugh,	Voorhees,
Call,	Gray,	Reagan,	Walthall,
Cockrell,	Hampton,	Stanford,	Wilson of Md.
Coke,	Jones of Arkansas,	Stewart,	Wolcott.

NAYS—33.

Aldrich,	Dolph,	McMillan,	Sherman,
Allen,	Edmunds,	Manderson,	Shoup,
Allison,	Evarts,	Mitchell,	Spooner,
Cameron,	Frye,	Paddock,	Stockbridge,
Carey,	Hale,	Platt,	Warren,
Casey,	Hawley,	Power,	Wilson of Iowa.
Cullom,	Hiscock,	Quay,	
Davis,	Hoar,	Sanders,	
Dixon,	McConnell,	Sawyer,	

ABSENT—23.

Blair,	Dawes,	Ingalls,	Pierce,
Bloodgett,	Farwell,	McPherson,	Plumb,
Brown,	George,	Moody,	Ransom,
Carlisle,	Harris,	Morrill,	Squire,
Chandler,	Hearst,	Payne,	Washburn.
Colquitt,	Higgins,	Pettigrew,	

So the Senate refused to adjourn.

The VICE PRESIDENT. The question recurs on the motion of the Senator from Massachusetts to proceed to the consideration of House bill 11045.

Mr. HARRIS. I call for the yeas and nays on the motion of the Senator from Massachusetts.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. WALTHALL (when Mr. GEORGE'S name was called). My colleague [Mr. GEORGE] is paired with the Senator from New Hampshire [Mr. BLAIR]. If my colleague were present, he would vote "nay."

Mr. HARRIS (when his name was called). I am paired with the Senator from Vermont [Mr. MORRILL].

Mr. HIGGINS (when his name was called). I announce my pair with the senior Senator from New Jersey [Mr. McPHERSON].

Mr. EDMUNDS (when Mr. MORRILL'S name was called). I wish to say for my colleague [Mr. MORRILL], who was obliged to go home, that he would vote "yea," if present, and is paired with the Senator from Tennessee [Mr. HARRIS].

Mr. ALLEN (when Mr. SQUIRE'S name was called). My colleague [Mr. SQUIRE] is paired with the Senator from New Jersey [Mr. BLODGETT]. If my colleague were present, he would vote "yea."

The roll-call was concluded.

Mr. DOLPH. I wish to announce again that I have transferred my pair with the senior Senator from Georgia [Mr. BROWN] to the Senator from New Hampshire [Mr. CHANDLER], so that those Senators stand paired.

Mr. HOAR. My colleague [Mr. DAWES] is paired with the junior Senator from Georgia [Mr. COLQUITT]. If my colleague were present, he would vote "yea."

The result was announced—yeas 33, nays 33; as follows:

YEAS—33.

Aldrich,	Dolph,	McMillan,	Sherman,
Allen,	Edmunds,	Manderson,	Shoup,
Allison,	Evarts,	Mitchell,	Spooner,
Cameron,	Frye,	Paddock,	Stockbridge,
Carey,	Hale,	Platt,	Warren,
Casey,	Hawley,	Power,	Wilson of Iowa.
Cullom,	Hiscock,	Quay,	
Davis,	Hoar,	Sanders,	
Dixon,	McConnell,	Sawyer,	

NAYS—33.

Barbour,	Eustis,	Morgan,	Vest,
Bate,	Faulkner,	Pasco,	Voorhees,
Berry,	Gibson,	Pugh,	Walthall,
Blackburn,	Gorman,	Reagan,	Washburn,
Butler,	Gray,	Stanford,	Wilson of Md.
Call,	Hampton,	Stewart,	Wolcott.
Cockrell,	Jones of Arkansas,	Teller,	
Coke,	Jones of Nevada,	Turpie,	
Daniel,	Kenna,	Vance,	

ABSENT—22.

Blair,	Dawes,	Ingalls,	Pierce,
Bloodgett,	Farwell,	McPherson,	Plumb,
Brown,	George,	Moody,	Ransom,
Carlisle,	Harris,	Morrill,	Squire,
Chandler,	Hearst,	Payne,	
Colquitt,	Higgins,	Pettigrew,	

The VICE PRESIDENT. The vote of the Senate being equally divided, the Chair votes "yea," and the motion of the Senator from Massachusetts is agreed to, and the bill is before the Senate as in Committee of the Whole.

Mr. HOAR. I desire to give notice of some amendments to the bill, which are six in number. I ask that they may be printed for the information of the Senate.

Mr. MORGAN. Let them be read.

Mr. HOAR. I now move—

Mr. MORGAN. I want to hear those amendments. Let them be read.

Mr. HOAR. They are very brief.

The VICE PRESIDENT. The amendments offered by the Senator from Massachusetts will be read.

The Chief Clerk read as follows:

In section 5, line 28, page 82, strike out "three" and insert "four" in its place.

Section 5, line 29, page 82, strike out "three" and insert "four" in its place. Section 19, line 3, page 109, strike out all of line 3 after the word "language," all of line 4, all of line 5, and the first three words, "in this act," of line 6.

Section 21, line 16, page 113, after the word "States," insert the following:

"Unless sooner removed from the office of commissioner or the office of chief supervisor."

Section 23, line 3, page 115, strike out "returns of house canvass."

Section 25, line 4, page 118, strike out all of line 4, all of line 5, and the first two words, "be made," of line 6.

Section 25, line 10, page 118, after the word "place," insert "until a new chief supervisor shall be appointed."

Mr. HOAR. I move that the Senate adjourn.

Mr. VEST. Mr. President, I have an amendment to present.

Mr. HOAR. I will withdraw the motion after stating it, if the Senate please. I shall move that the Senate adjourn until 12 o'clock. I withdraw the motion, to allow the Senator from Missouri to present an amendment.

The VICE PRESIDENT. The motion is withdrawn.

Mr. VEST. I desire to submit an amendment to this bill.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. HOAR. I move that the Senate adjourn until 12 o'clock.

The motion was agreed to; and (at 12 o'clock and fifteen minutes a. m., Thursday, January 15) the Senate adjourned until Thursday, January 15, 1891, at 12 o'clock m.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, January 14, 1891.

The House met at 12 o'clock m.

Prayer by the Chaplain, Rev. W. H. MILBURN, D. D.

The Journal of the proceedings of yesterday was read and approved.

Mr. THOMPSON. Mr. Speaker—

WASHINGTON AND ARLINGTON RAILWAY COMPANY.

The SPEAKER. The Chair lays before the House the following Senate bill, and the gentleman from Vermont [Mr. GROUT] requests that the same may be printed, and that it may remain upon the Speaker's table.

The Clerk read as follows:

A bill (S. 3770) to incorporate the Washington and Arlington Railway Company of the District of Columbia.

The SPEAKER. Is there objection to the request that this bill be printed and remain upon the Speaker's table? [After a pause.] The Chair hears none.

ARMY APPROPRIATION BILL.

Mr. CUTCHEON. I move that the House resolve itself into the Committee of the Whole on the state of the Union for the further consideration of the army appropriation bill.

The motion was agreed to.

The House accordingly resolved itself into the Committee of the Whole on the state of the Union for the further consideration of the army appropriation bill, Mr. DINGLEY in the chair.

Mr. CUTCHEON. Mr. Chairman, at the hour of the rising of the committee last evening we had reached the point on page 22 of the bill—

For manufacture, repair, and issue of arms at the national armories, \$400,000.

I believe that no amendment had been offered, but the gentleman from Missouri [Mr. DOCKERY] had made a suggestion with reference to an amendment.

Mr. DOCKERY. Mr. Chairman, I desire to offer an amendment, to come in after line 22, page 22.

The CHAIRMAN. When the committee rose last night the gentleman from Georgia [Mr. CLEMENTS] had given notice of a point of order against the last proviso of the pending paragraph.